STRICTLY CONFIDENTIAL — DO NOT FORWARD

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE PERSONS OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering memorandum attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached offering memorandum. In accessing the attached offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: By accepting the e-mail and accessing the attached offering memorandum you shall be deemed to have represented to Deutsche Bank AG Singapore Branch, J.P. Morgan Securities plc, Barclays Bank PLC, Nomura International (Hong Kong) Limited and Coöperatieve Rabobank U.A., trading as Rabobank London (each an "Initial Purchaser" and collectively, the "Initial Purchasers") that: (1) you are not in the United States and, to the extent you will purchase the securities described in the attached offering memorandum, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"); (2) you are a prospective purchaser of the securities and you are a relevant person (as defined below) if in the United Kingdom; AND (3) you consent to the delivery of the attached offering memorandum and any amendments or supplements thereto by electronic transmission. The attached offering memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Jain International Trading BV (the "Issuer") or the Initial Purchasers or any of their respective directors, employees, representatives, affiliates or agents accept any liability or responsibility whatsoever in respect of any discrepancies between the offering memorandum distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

Restrictions: The attached document is an offering memorandum and is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein. You are reminded that the information in the attached offering memorandum is not complete and may be changed.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Issuer or Initial Purchasers to subscribe for or purchase any of the securities described herein, and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers and their respective affiliates on behalf of the Issuer in such jurisdiction.

The offering memorandum is only addressed to and directed at persons in member states of the European Economic Area that have implemented the Prospectus Directive who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("Qualified Investors"). In addition, the offering memorandum is directed solely at (i) persons outside the United Kingdom, (ii) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "Order"), (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order and (iv) other persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities of the Issuer may otherwise lawfully be communicated or be caused to be communicated (all such persons in (i)-(iv) above being "relevant persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this communication.

You are reminded that you have accessed the attached offering memorandum on the basis that you are a person into whose possession this offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions that You May Not Take: You should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORIZED TO AND MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED OFFERING MEMORANDUM, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The information in this preliminary offering memorandum is not complete and may be changed. This preliminary offering memorandum is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where such offer or sale is not permitted.

Subject to completion, dated January 17, 2017

PRELIMINARY OFFERING MEMORANDUM **CONFIDENTIAL**

Jain Irrigation Systems Ltd.

Jain International Trading BV

(incorporated in the Netherlands with limited liability)

US$

% Senior Notes due 2022

Guaranteed on a senior basis by

Jain Irrigation Systems Limited

The % Senior Notes due , 2022 (the "Notes") will bear interest from , 2017 at % per annum payable semi-annually in arrears on and of each year, beginning , 2017. The Notes will mature on , 2022.

The Notes are senior obligations of Jain International Trading BV (the "Issuer"). The Notes are guaranteed by Jain Irrigation Systems Limited (the "Parent Guarantor"). We refer to the guarantee by the Parent Guarantor as the "Note Guarantee". On the Original Issue Date (as defined herein), the Parent Guarantor's potential liability under its Note Guarantee is capped at an amount equal to 150% of the total initial aggregate principal amount of the Notes being US$ (the "Note Guaranteed Amount"). The Note Guaranteed Amount will be reduced by any amounts paid by the Parent Guarantor under the Note Guarantee from time to time.

The Issuer may redeem the Notes, in whole or in part, at any time and from time to time, on or after , 2020 at the redemption prices set forth in this Offering Memorandum. At any time and from time to time prior to , 2020 the Issuer may redeem up to 35% of the Notes, at a redemption price of % of the principal amount, plus accrued and unpaid interest, if any, in each case, using the net cash proceeds from sales of certain kinds of capital stock of the Parent Guarantor. In addition, the Issuer may redeem the Notes at any time prior to , 2020 in whole but not in part, at a price equal to 100% of the principal amount of such Notes plus accrued and any unpaid interest to the redemption date and a "make-whole" premium as set forth in this Offering Memorandum.

Upon the occurrence of a Change of Control (as defined herein), the Issuer must make an offer to repurchase all Notes outstanding at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase.

The Notes will be (i) senior in right of payment to any of the Issuer's existing and future obligations expressly subordinated in right of payment to the Notes, (ii) at least *pari passu* in right of payment with all unsecured and unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law), (iii) effectively subordinated to the secured obligations of the Issuer, if any, and the Parent Guarantor, to the extent of the value of the assets serving as security therefor, and (iv) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined herein). In addition, applicable law may limit the enforceability of the Note Guarantee.

For a more detailed description of the Notes, see "Description of the Notes".

Investing in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 25.

Price: 100.00% plus accrued interest, if any, from , 2017.

Approval-in-principle has been received for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Memorandum. Approval-in-principle from, and admission of the Notes to the Official List of, the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the offering, the Issuer, the Parent Guarantor, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture companies (if any) or the Notes.

The Notes and the Note Guarantee have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only outside the U.S. in offshore transactions in accordance with Regulation S under the Securities Act ("Regulation S"). For a description of certain restrictions on resales and transfers, see "Transfer Restrictions".

The Notes are expected to be rated "B+" by Fitch Ratings Ltd and "B+" by S&P Global Ratings. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. We expect that the Notes will be delivered in book-entry form through the facilities of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream") on or about , 2017 (the "Original Issue Date").

Joint Global Coordinators

Deutsche Bank AG Singapore Branch **J.P. Morgan Securities plc**

Joint Bookrunners and Joint Lead Managers

Deutsche Bank AG Singapore Branch **J.P. Morgan Securities plc**

Barclays **Nomura International (Hong Kong) Limited** **Rabobank**

The date of this Offering Memorandum is , 2017

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NOTICE TO INVESTORS

This Offering Memorandum is not an offer to sell the Notes and we are not soliciting an offer to buy the Notes in any jurisdiction in which the offer or sale is prohibited. Neither the delivery of this Offering Memorandum nor any sale made under the terms described herein shall imply that the information herein is correct as of any date after the date hereof.

This Offering Memorandum has not been and will not be registered as a prospectus or a statement in lieu of a prospectus with the Registrar of Companies in India. This Offering Memorandum has not been and will not be reviewed or approved by any regulatory authority in India, including but not limited to the Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India. This Offering Memorandum is not and should not be construed as an advertisement, offer, invitation to offer, invitation to subscribe, or sale, of any securities to the public or any person resident in India. This Offering Memorandum or any other document or material relating to the Notes has not been and will not be circulated or distributed in India, directly or indirectly, to the public or members of the public in India. The Notes have not been, and will not be, offered or sold to any person resident in India. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

This offering is being made in reliance upon exemptions from registration under the Securities Act, for an offer and sale of securities which does not involve a public offering. The Notes will be initially purchased by Deutsche Bank AG Singapore Branch, J.P. Morgan Securities plc, Barclays Bank PLC, Nomura International (Hong Kong) Limited and Coöperatieve Rabobank U.A., trading as Rabobank London (the "Initial Purchasers") in accordance with such exemptions. If you purchase any of the Notes, you will be deemed to make certain acknowledgments, representations and agreements set forth under "Transfer Restrictions". You may be required to bear the financial risks of this investment for an indefinite period of time.

This Offering Memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order and (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities of the Issuer may otherwise lawfully be communicated or be caused to be communicated (all such persons together being referred to as "Relevant Persons"). Any investment or investment activity to which this Offering Memorandum relates is only available to, and the Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, Relevant Persons. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents, and should return this Offering Memorandum as soon as possible and take no other action. By accepting receipt of this Offering Memorandum each recipient is deemed to confirm, represent and warrant to the Issuer and each Initial Purchaser that it is a person to whom this Offering Memorandum can be lawfully distributed.

We prepared this Offering Memorandum solely for use in connection with this offering. In accepting this Offering Memorandum, you have agreed that this Offering Memorandum is highly confidential and that you will hold the information contained or referred to herein in confidence. We and the Initial Purchasers reserve the right to reject any offer to purchase any of the Notes for any reason, or to sell less than the principal amount of the Notes for which any prospective purchaser has subscribed. This Offering Memorandum is personal to each offeree and is not an offer to any other person or to the public generally to subscribe for the Notes. You represent that you are basing your investment decision solely on this Offering Memorandum and your own examination of us and the terms of this offering. You cannot distribute this Offering Memorandum or the information contained in it, by electronic or other means, to any person other than your professional advisor without our prior written consent. You cannot make any photocopies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

By receiving this Offering Memorandum and by purchasing the Notes, you acknowledge that (1) you have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with investigating the accuracy of such information or your investment decision, and (2) no person has been authorized to give information or to make any representation concerning us or the Notes other than as contained in this Offering Memorandum and information given by our duly authorized officers and employees in connection with your examination of us and the terms of this offering. You cannot rely on any such other information or representation.

Neither the Initial Purchasers nor the Trustee makes any representation or warranty, express or implied, concerning the accuracy or completeness of the information in this Offering Memorandum, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation, from the Initial Purchasers or the Trustee whether as to the past or the future. To the fullest extent permitted by law, none of the Initial Purchasers accept any responsibility for the contents of this Offering Memorandum or for any statement made or purported to be made by the Initial Purchasers or on their behalf in connection with the Issuer or the Parent Guarantor or the issue and offering of the Notes. The Initial Purchasers and the Trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Memorandum or any such statement.

We cannot give you any assurance and you should not assume that the information contained in this Offering Memorandum is accurate or complete after the date or such other date other than the date appearing on the cover page. Our business, cash flows, financial condition, results of operations and prospects may have changed since such date.

The contents of this Offering Memorandum do not constitute legal, business or tax advice, and neither we nor the Initial Purchasers are making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should consult your own attorney, business advisor and tax advisor as to legal, business or tax advice related to a purchase of the Notes.

The Notes and the Note Guarantee have not been and will not be registered under the Securities Act or the securities laws of other jurisdictions and are being offered and sold in transactions outside the United States in reliance on Regulation S under the Securities Act. The Notes are not transferable except in accordance with the restrictions described under "Transfer Restrictions".

You must comply with all applicable laws and regulations (including obtaining required consents, approvals or permissions) in force in any jurisdiction in which you purchase, offer or sell the Notes. Neither we nor the Initial Purchasers have any responsibility for any purchase, offer or sale of the Notes by you.

In connection with this offering, the Initial Purchasers participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Initial Purchasers may over-allot in connection with this offering, may bid for and purchase Notes in the open market and may impose penalty bids. For a description of these activities, see "Plan of Distribution".

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission or any other securities regulatory authority has approved or disapproved of these securities or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Data

Our audited consolidated financial statements as of and for the fiscal years ended March 31, 2014, 2015 and 2016 (the "Audited Financial Statements") included elsewhere in this Offering Memorandum have each been prepared in accordance with generally accepted accounting principles in India ("Indian GAAP") and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. Our unaudited interim consolidated financial statements as of and for the six months ended September 30, 2015 and 2016 (the "Unaudited Financial Statements") included elsewhere in this Offering Memorandum have each been prepared in accordance with the Indian Accounting Standards ("Ind AS") and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. The Audited Financial Statements and the Unaudited Financial Statements are collectively referred to as the "Consolidated Financial Statements".

Our Unaudited Financial Statements may require adjustments before constituting the final financial statements under Ind AS as of and for the years ended March 31, 2016 and 2017 due to changes in financial reporting requirements which may arise from new or revised standards or interpretations issued by the Ministry of Corporate Affairs, changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS provisions as permitted under Ind AS 101 or other changes or interpretation. As a result, our results for the six months ended September 30, 2015 and 2016 should not be considered indicative of the results we may record for fiscal years 2016 and 2017.

Indian GAAP and Ind AS differ in certain respects from International Financial Reporting Standards ("IFRS"). See "Risk Factors — Risks Relating to Our Business — Significant differences exist between Indian GAAP, Ind AS and other accounting principles such as IFRS which may be material to investors' assessments of our financial condition". In addition, Indian GAAP and Ind AS differ in certain material respects. See "Risk Factors — Risks Relating to Our Business — The Consolidated Financial Statements may not be comparable". For a discussion of certain principal differences between Indian GAAP and Ind AS, see "Summary of Certain Principal Differences between Indian GAAP and Ind AS". In making an investment decision, investors must rely on their own examination of the Issuer and the Parent Guarantor, the terms of the offering and the financial information contained in this Offering Memorandum. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind AS on the one hand and IFRS on the other hand, as well as between Indian GAAP on the one hand and Ind AS on the other hand, and how these differences might affect their understanding of the financial information contained herein.

We publish our financial statements in Indian rupees. Our financial statements and the financial data relating to our Company herein are converted from crores or thousands, as the case may be, into billions and shown to the nearest billion of rupees. Further, references to "lakhs" and "crores" in this Offering Memorandum are to the following:

- one lakh represents 100,000 (one hundred thousand);
- ten lakhs represent 1,000,000 (one million);

- one crore represents 10,000,000 (ten million);
- ten crores represent 100,000,000 (one hundred million); and
- one hundred crores represent 1,000,000,000 (one thousand million or one billion).

Non-GAAP Financial Measures

We have elected to present adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA") in this Offering Memorandum. Adjusted EBITDA as presented in this Offering Memorandum are supplemental measures of our performance and liquidity, and although Adjusted EBITDA is a widely used financial indicator of a company's ability to service and incur debt, we caution you that Adjusted EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating activities. See "Summary Consolidated Financial and Other Data" and "Selected Consolidated Financial and Other Data" for a reconciliation of Adjusted EBITDA to (i) profit before exceptional items and tax for fiscal years 2014, 2015 and 2016 and (ii) profit (loss) from ordinary activities after finance costs but before exceptional items for the six months ended September 30, 2015 and 2016.

We have included these non-Indian GAAP and non-Ind AS financial measures because we believe they are a useful supplement to measure our performance and our ability to generate cash flow from operations to cover debt service. Nevertheless, these non-Indian GAAP and non-Ind AS financial measures have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for, analysis of our financial condition or results of operations, as reported under Indian GAAP or Ind AS. Because of these limitations, all non-Indian GAAP and non-Ind AS financial measures included in this Offering Memorandum should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

You should also note that Adjusted EBITDA as presented in this Offering Memorandum is calculated differently from Consolidated EBITDA as defined and used in the Indenture governing the Notes. See "Description of the Notes" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Indenture governing the Notes.

Rounding

Certain figures contained in this Offering Memorandum, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or row of a table contained in this Offering Memorandum may not conform exactly to the total figure given for that column or row.

Currency

Unless otherwise indicated, financial information relating to the Parent Guarantor is presented in Indian rupee.

Currency Translations

This Offering Memorandum contains translations of Indian rupee amounts to U.S. dollars, at specific rates solely for the convenience of the reader and unless otherwise stated, all translations from Indian rupees to U.S. dollars in this Offering Memorandum were made at the exchange rate of Rs.66.66 per US$1.00, being the closing exchange rate published by the Reserve Bank of India (the "RBI") as of September 30, 2016. No representation is made that the Indian rupee amounts referred to in this Offering Memorandum have been, could have been or could be converted into U.S. dollars at such rates or any other rate.

CERTAIN DEFINITIONS

Unless otherwise specified or the context otherwise requires, in this Offering Memorandum:

- "APEDA" refers to the Agricultural and Processed Food Products Export Development Authority of the Ministry of Commerce and Industry, Government of India;
- "British pound(s)" and "£" refer to the lawful currency of the United Kingdom;
- "CAGR" refers to compound annual growth rate;
- "Cascade" refers to Cascade Specialties Inc, a private company with limited liability incorporated under the laws of Oregon;
- "CHF" refers to the lawful currency of Switzerland;
- "Clearstream" refers to Clearstream Banking S.A.;
- "Companies Act" refers to the Companies Act, 2013 and/or the Companies Act, 1956, as applicable;
- "Companies Act, 1956" refers to the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the sections of the Companies Act, 2013) along with the relevant rules, regulations, clarifications and modifications thereunder;
- "Companies Act, 2013" refers to the Companies Act, 2013, as amended and to the extent effective, read with the rules, regulations, clarifications and modifications thereunder;
- "Company", "we", "us", "our" or words of similar import refers to the Parent Guarantor, or to the Parent Guarantor and its subsidiaries on a consolidated basis;
- "DVR equity share(s)" refers to differential voting rights equity share(s);
- "EU" refers to the European Union;
- "Euro", "€" and "EUR" refer the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union;
- "Euroclear" refers to Euroclear Bank S.A./N.V.;
- "Ex-Cel Plastics" refers to Ex-Cel Plastics Ltd, a private company with limited liability incorporated under the laws of Ireland;
- "FCCB" refers to a foreign currency convertible bond;
- "fiscal year" or "FY" refers to the twelve months ending March 31 of that year;
- "Fitch" refers to Fitch Ratings Ltd;
- "Global Notes" refers to one or more global notes in registered form, which are sold in reliance on Regulation S;

- "Government of India" refers to the Central Government of India;
- "Government" refers to the Central Government of India or an Indian state government, as applicable;
- "IFRS" refers to International Financial Reporting Standards as issued and defined by the International Accounting Standards Board;
- "Indenture" refers to the indenture governing the Notes and the Note Guarantee offered hereby, to be dated on or about the Original Issue Date;
- "India" refers to the Republic of India, together with its territories and possessions;
- "Initial Purchasers" refers to the initial purchasers of the Notes, being Deutsche Bank AG Singapore Branch, J.P. Morgan Securities plc, Barclays Bank PLC, Nomura International (Hong Kong) Limited and Coöperatieve Rabobank U.A., trading as Rabobank London;
- "Issuer" refers to Jain International Trading BV, the issuer of the Notes, a direct subsidiary of the Parent Guarantor;
- "Jain Sulama" refers to Jain Sulama Sistemleri Sanayi Ve Ticaret AS, a private company with limited liability incorporated under the laws of Turkey;
- "Jain USA" refers to Jain Irrigation Inc, a private company with limited liability incorporated under the laws of Delaware;
- "JFFFL" refers to Jain Farm Fresh Foods Ltd, a private company with limited liability incorporated under the laws of India;
- "NaandanJain Irrigation" refers to NaandanJain Irrigation Ltd, a private company with limited liability incorporated under the laws of Israel;
- "Parent Guarantor" refers to Jain Irrigation Systems Limited, a publicly listed company with limited liability incorporated under the laws of India;
- "R&D" refers to research and development;
- "RBI" refers to the Reserve Bank of India;
- "Regulation S" refers to Regulation S of the Securities Act;
- "Rupee(s)", "Rs.", "INR" or "Indian rupee(s)" refers to the lawful currency of India;
- "S&P" refers to S&P Global Ratings;
- "SAFL" refers to Sustainable Agro-commercial Finance Limited, a non-banking financial company with limited liability incorporated under the laws of India;
- "Securities" refers to the Notes and the Note Guarantee;
- "Securities Act" refers to the U.S. Securities Act of 1933, as amended;
- "SGX-ST" refers to the Singapore Exchange Securities Trading Limited;
- "Singapore" refers to the Republic of Singapore, together with its territories and possessions;

- "Sleaford" refers to Sleaford Quality Foods Ltd, a private company with limited liability incorporated under the laws of England;

- "THE Machines" refers to THE Machines Yvonand SA, a private company with limited liability incorporated under the laws of Switzerland;

- "ton(s)" refers to metric ton(s);

- "U.S. dollar(s)", "USD", "$" or "US$" refers to the lawful currency of the United States; and

- "United States" or "U.S." refers to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

GLOSSARY OF TECHNICAL INDUSTRY TERMS

- "ABS" refers to acrylonitrile butadiene styrene;

- "centrifugal rotor" refers to a pump having a rotating impeller which creates centrifugal force on liquid particles to push such liquid particles upwards using kinetic energy;

- "coupler" refers to a socket which connects one pipe with another pipe;

- "extruder" refers to a machine which conducts extrusion;

- "extrusion" refers to a manufacturing process whereby materials are subjected to heat and shear in a continuous process;

- "fertigation" refers to the application of fertilizer with irrigation water;

- "HDPE" refers to high-density polyethylene;

- "helical rotor" refers to a pump having a helical shaped rotor which pushes liquid particles upwards through a small annular space;

- "Hp" refers to horsepower;

- "LED" refers to light-emitting diode;

- "LLDPE" refers to linear low density polyethylene;

- "lpd" refers to liters per day;

- "lph" refers to liters per hour;

- "lpm" refers to liters per minute;

- "lps" refers to liters per second;

- "master batch" refers to a type of raw material which is ready-to-use and comprised of a mixture of plastic materials, color pigments, stabilizers and other ingredients;

- "MDPE" refers to medium-density polyethylene;

- "minimum head" refers to the minimum distance between the source of water and the water delivery point;
- "MIS" means micro irrigation system;
- "MW" refers to megawatts;
- "PBT" refers to polybutylene terephthalate;
- "PE" refers to polyethylene;
- "PP" refers to polypropylene;
- "PPCP" refers to polypropylene copolymer;
- "PV" refers to photovoltaic;
- "PVC" refers to polyvinyl chloride; and
- "suction head" refers to the distance between a pump and source of water.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this Offering Memorandum has been obtained through internal company research, management estimates and industry and general publications. Management estimates are based on publicly available information released by third party sources, data from our internal research and our knowledge of our industries and markets, which we believe to be reasonable.

This Offering Memorandum includes industry and market data that we have obtained from industry publications, including (i) a report entitled "Accelerating growth of Indian agriculture: Micro irrigation an efficient solution — Strategy paper — Future prospects of micro irrigation in India" prepared by Grant Thornton India LLP ("Grant Thornton") in 2016, (ii) the 2015-2016 annual report of the Ministry of Food Processing Industries, a ministry of the Government of India, (iii) information from publications of Reliance Industries Limited and (iv) a report entitled "Building Materials: Plastic Pipes Sector Note" prepared by Spark Capital Advisors (India) Private Limited ("Spark Capital").

Grant Thornton has consented to the use of industry and market data that we have obtained from the aforementioned report subject to the following disclaimer by Grant Thornton:

> Excerpts from Grant Thornton India LLP's ("Grant Thornton") report "Accelerating growth of Indian agriculture: Micro irrigation an efficient solution - Strategy paper - Future prospects of micro irrigation in India" (the "GT Report"), have been included in this offering memorandum with the consent of Grant Thornton. The GT Report was prepared from various public sources and from interaction with stakeholders, the information thus received from these sources is believed by Grant Thornton to be reliable. The GT Report considers data from various sources with a cut-off date of December 2015.
>
> Grant Thornton's work on the GT Report does not constitute an audit and therefore the objective of the GT Report was the expression of an opinion based on an analysis of the information collected and discussions held in light of the same. The information contained in the GT Report is selective and is subject to updation, expansion, revision

and amendment. While Grant Thornton believe that the information provided in the GT Report is accurate and reliable, Grant Thornton does not make any representations or warranties, expressed or implied, as to the accuracy or completeness of such information and data available in the public domain. The GT Report is an industry report and strategy paper on the prospects of micro irrigation in India and does not in any way cover any individual company or companies operating in this sector in India. All assumptions made in order to develop the GT Report are based on information or opinions that are current. Nothing has come to the attention of Grant Thornton to cause them to believe that the facts and data set forth in the GT Report are not true or correct. Therefore, no responsibility is assumed by Grant Thornton for technical information furnished by any third party organizations and the GT Report is believed to be reliable.

Whilst due care has been taken in the preparation of the GT Report and information contained therein, neither Grant Thornton nor its affiliates accept any liability whatsoever, for any direct or consequential loss arising from any use of information derived from the GT Report which is included in this Offering Memorandum.

These industry reports represent data, research opinions or viewpoints published, and are not a representation of fact. The industry reports speak as of their original publication date (and not as of the date of this Offering Memorandum) and the opinions expressed in such industry reports are subject to change without notice. Industry publications generally state that the information contained in those publications has been obtained from sources that are believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry and market data used in this Offering Memorandum are reliable, it has not been verified by us, the Initial Purchasers or any independent source, nor do we make any representation regarding the accuracy of such data. The market data includes projections that are based on a number of assumptions. In addition, the extent to which the market data presented in this Offering Memorandum is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data-gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains both historical and forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements may contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are forward-looking statements. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant statement.

The future events referred to in these forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future and are not a guarantee of future performance. Important factors that could cause the actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- any reduction in, or delays in the provision of government incentives and initiatives and adverse changes in government policies and regulations;
- our prolonged cash conversion cycle;
- fluctuations in the value of the rupee compared to other currencies;
- the performance of, and factors affecting, the agricultural sector, including seasonal factors;
- capacity constraints and our ability to complete our expansion plans as planned;
- our ability to achieve and manage growth and successfully integrate acquisitions;
- the failure to obtain, or unfavorable terms under which we are able to obtain, needed capital;
- increases in the prices of raw materials and petroleum and inability to pass increases in cost on to customers;
- competition in the markets in which we operate;
- regulatory compliance in India and globally; and
- the success of our investment in SAFL, our affiliated financing entity.

This list of important factors is not exhaustive. Additional factors that could cause the actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business". When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Accordingly, you should not place undue reliance on any forward-looking statements.

EXCHANGE RATES

The following table sets forth, for the periods indicated, the average, high, low and period end exchange rate for one U.S. dollar, expressed in Indian rupees per US$1.00 as published by the RBI.

Calendar year	Average(1)	High	Low	Period end
	(Rs. per US$)			
2011	46.67	54.24	43.95	53.27
2012	53.49	57.22	48.68	54.78
2013	58.63	68.36	52.97	61.90
2014	61.03	63.75	58.43	63.33
2015	64.15	67.04	61.41	66.33
2016	67.21	68.78	66.18	67.95
January 2016	67.25	68.09	66.18	67.88
February 2016	68.24	68.78	67.64	68.62
March 2016	67.02	68.16	66.33	66.33
April 2016	66.47	66.73	66.24	66.52
May 2016	66.91	67.71	66.27	67.20
June 2016	67.30	68.01	66.63	67.62
July 2016	67.21	67.50	66.91	67.03
August 2016	66.94	67.19	66.74	66.98
September 2016	66.74	67.06	66.36	66.66
October 2016	66.75	66.89	66.53	66.86
November 2016	67.63	68.72	66.43	68.53
December 2016	67.90	68.37	67.43	67.95
January 2017 (through January 11, 2017)	68.06	68.23	67.79	68.23

Source: Reserve Bank of India (at https://www.rbi.org.in/scripts/referenceratearchive.aspx)

Source: RBI

(1) The average rate for each period represents the average of the daily exchange rates for the period.

This Offering Memorandum contains translations of Indian rupee amounts to U.S. dollars at specific rates solely for the convenience of the reader and unless otherwise stated, all translations from Indian rupees to U.S. dollars in this Offering Memorandum were made at the exchange rate of Rs.66.66 per US$1.00, being the closing exchange rate published by the RBI as of September 30, 2016. No representation is made that the Indian rupee amounts referred to in this Offering Memorandum have been, could have been or could be converted into U.S. dollars at such rates or any other rate.

For a discussion of the impact of the exchange rate fluctuations on our financial condition and results of operations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations".

SUMMARY

This summary highlights certain information contained in this Offering Memorandum. This overview does not contain all the information you should consider before investing in the Notes. You should read this entire Offering Memorandum carefully, including the sections entitled "Forward-Looking Statements", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" included elsewhere in this Offering Memorandum and the financial information and the related notes thereto set forth herein, before making an investment decision.

Overview

We are one of India's leading high technology agricultural solution providers, operating across the agro-business value chain with businesses spread across the globe. Our business comprises the following business segments:

- hi-tech agri input products segment, which comprises (i) MIS products, (ii) cultivated tissue culture plants, (iii) precision farming products and (iv) advisory services. Our MIS products comprise (a) drip irrigation systems, (b) sprinkler irrigation systems, (c) solar pumping systems and (d) integrated irrigation projects;

- plastic products segment, which comprises (i) piping systems, (ii) PVC sheets and (iii) turnkey services. Our piping systems comprise (a) PVC pipes and fittings and (b) PE pipes and fittings;

- agro-processed products segment, which comprises (i) dehydrated onion and vegetable products, (ii) processed fruit products and (iii) biogas power generation; and

- other products and services segment, which comprises (i) renewable energy systems, (ii) solar power generation and (iii) equipment manufacturing.

We won the APEDA Golden Trophy for the last five consecutive years which recognized our position as the largest exporter of processed fruits and vegetables in India. In addition, we are one of the major players in the MIS and agriculture PVC pipes and the HDPE pipes segments according to Spark Capital.

We provide total solutions to farmers to enhance their productivity and yield by leveraging our expertise in agriculture and relationships with our various stakeholders. In addition, the breadth of our product offerings enables us to provide integrated solutions which are customized to the needs of our customers. Our MIS products, solar pumping systems and piping systems provide integrated irrigation solutions which are essential to the efficient operations of farmers. We also undertake integrated irrigation projects to large farming communities and provide turnkey services for the construction of piping systems which utilize our MIS and piping systems products. We also provide cultivated tissue culture plants which aid the cultivation of crops by farmers by reducing growing time and creating higher crop yields.

We have an extensive presence in India and abroad. We operate 12 manufacturing facilities in India. We believe one of our core strengths is the synergy created by our extensive global experience and our local knowledge and capabilities. We believe our core manufacturing base in India provides us with a low-cost manufacturing capability. In addition, we operate 18 manufacturing facilities outside of India located in four continents, namely Europe, North America, South America and other parts of Asia.

Our extensive network of dealers in India provides a significant competitive advantage which we believe our competitors cannot easily replicate. We had 6,527 dealers in India who market our hi-tech agri input products and plastic products to end customers as of September 30, 2016, approximately two-thirds of which market such products on an exclusive basis. Most of these dealers come from farming backgrounds and have deep relationships in the farming communities in which they operate.

We operate an international micro irrigation business. Our subsidiary in Israel, NaandanJain Irrigation, is a leading manufacturer of high quality irrigation equipment. Our subsidiary in the United States, Jain USA, is a leading manufacturer of irrigation products, which it markets under the well-established “Chapin” and “Aquarius” brands. In addition, Jain USA produces irrigation monitoring devices and software under the “Puresense” brand in the United States and wireless sprinklers with modifiable water flow and pattern under the “Genesys” brand. In addition, our subsidiary in Turkey, Jain Sulama, manufactures irrigation systems which we intend to leverage as a platform for our expansion of our sales into neighboring countries and Africa. We intend to leverage NaandanJain Irrigation’s current operations in South America to continue expanding the sales of our products there.

The international reach of our agro-processed products segment comprises operations in the United States and Europe. Our subsidiary in the United States, Cascade, produces dehydrated onion products for a wide network of customers. In addition, Cascade’s White Oak Frozen Foods division produces reduced moisture frozen vegetable products, which it sells to multi-national food companies located in the United States. Our subsidiary in the United Kingdom, Sleaford, produces spices and other food ingredient products, which provides us with direct access to the United Kingdom food markets.

We also operate an equipment manufacturing business in Switzerland through our Swiss subsidiary, THE Machines. THE Machines manufactures various capital machinery and equipment and designs production lines for the production of irrigation and other products. THE Machines’s operations includes R&D on “next generation” irrigation systems, including developing thin emitters and tape lines which require less material to produce and which are capable of being applied across multiple crops.

In addition, we have a 49.0% interest in SAFL, a non-banking financial company which focuses on providing financing solutions to Indian farmers. SAFL provides certain financing solutions to Indian farmers including financing for the purchase of MIS products, farm equipment, piping systems, motors and pumps for lift irrigation, solar modules, crops, livestock, sheds and two wheel vehicles. SAFL also provides financing for contract farming, agricultural projects and business ventures. As of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016, the total outstanding loans of SAFL was Rs.948.9 million, Rs.1,564.1 million, Rs.2,040.0 million, Rs.1,917.0 and Rs.2,184.2 million, respectively.

Our total revenues were Rs.58,744.3 million, Rs.61,936.5 million, Rs.63,336.9 million, Rs.29,906.5 million and Rs.31,778.0 million for fiscal years 2014, 2015 and 2016 and the six months ended September 30, 2015 and 2016, respectively. Our profit for the year was Rs.553.9 million and Rs.882.7 million for fiscal years 2015 and 2016, respectively. For fiscal year 2014, we recorded a loss for the period of Rs.398.2 million. Our total comprehensive income (after tax) was Rs.165.5 million and Rs.787.8 million for the six months ended September 30, 2015 and 2016, respectively. For the six months ended September 30, 2016, our sales of hi-tech agri input products, plastic products, agro-processed products and other products and services accounted for 46.1%, 27.3%, 23.8% and 2.8% of our net sales income from operations, respectively.

Founded by our late chairman, Dr. Bhavarlal H. Jain, in 1963, we began our operations in trading agricultural inputs and equipment. In 1980, we expanded our business to include the manufacture of PVC pipes, and in 1988, we began producing MIS products to provide a more complete solution to farmers. In 1991, we began the manufacturing of PVC sheets. In 1994, we added other complementary businesses, including the manufacturing of PE pipes and fittings, solar water heater systems and dehydrated vegetable products. In addition, in 1994, we also began the manufacturing of cultivated tissue culture plants which aid the cultivation of crops by farmers by reducing growing time and creating higher crop yields. In 1996, we began the manufacturing of processed fruit products to take advantage of our contacts and expertise in the agricultural sector. In 2013, we began the production of solar pumping systems, which are comprised of PV solar panels and pump modules, in order to provide farmers in areas with scarce electricity with the means to pump water for irrigation purposes. This background has given our Company a foundation of deep understanding of the agriculture industry and related opportunities and challenges so that we can provide the best solutions to farmers.

We have received 41 state awards, 172 national awards and 18 international awards for outstanding export performance, business practices, excellence in sustainability, R&D achievements and entrepreneurship. In 2008, the late Bhavarlal H. Jain received the Padma Shri Certificate and Medal, India's highest civilian award, from the President of India for his significant contributions to science and engineering. In 2011, we were recognized as a "New Sustainability Champion" by the World Economic Forum. In addition, we were the only Indian company to be inducted into Fortune magazine's inaugural "Change the World" list in 2015, which recognized our contributions to the improvement of the livelihoods of millions of small farmers in India.

Competitive Strengths

Integrated products and solutions across an extended value chain

We provide total solutions to farmers to enhance their productivity and yield by leveraging our expertise in agriculture and relationships with our various stakeholders. In addition, the breadth of our product offerings enables us to provide integrated solutions which are customized to the needs of our customers. Our MIS products, solar pumping systems and piping systems provide integrated irrigation solutions which are essential to the efficient operations of farmers. We also provide cultivated tissue culture plants which aid the cultivation of crops by farmers by reducing growing time and creating higher crop yields. We undertake integrated irrigation projects to large farming communities and provide turnkey services for the construction of piping systems which utilize our MIS and piping systems products. Furthermore, we also manufacture capital machinery and equipment for the production of irrigation and other products. In addition, we bolster the marketing of our hi-tech agri input products by offering fee-based advisory services such as agricultural consultancy, training, agronomy services, surveys and analysis of water and soil samples. Through our strategic relationship with SAFL, we are able to arrange financing for the sales of our MIS products to end customers.

Furthermore, we are committed to providing end-to-end total solutions for farmers in India to enhance their management of irrigation, soil and crops and farming cultivation and operations. Our "Jain Self Sustaining Agricultural Development Cycle" business model, which has evolved over a period of 50 years, is a farmer-centric business model encompassing the manufacturing and marketing of high technology agricultural products and related services. This business model aims to improve productivity, save input costs and optimize resources for farmers through the provision of agronomic support and knowledge and the creation of value through the processing, marketing and distribution of agricultural produce. For instance, we and Hindustan Coca-Cola Beverages Pvt Ltd ("Hindustan Coca-Cola") have undertaken Project Unnati under which we are promoting the application of ultra high density plantation techniques among mango farmers in India in order to increase the utilization of available farmland and thereby improve yield. We also develop varieties of high yielding and hybrid onion seeds which we sell to farmers with whom we have purchase arrangements. In addition, our business positions us as an end customer to certain farmers. For example, we purchase onions, tomatoes and other vegetables for the manufacturing of our dehydrated onion and vegetable products, and mangoes and other fruits for our manufacturing of processed fruit products.

We have entered into several memorandums of understanding with certain agricultural universities, international institutes and the Indian Council of Agricultural Research for the advancement of agricultural research. We have established the Jain Hitech Agricultural Institute to further agricultural research and foster the sharing of knowledge among our stakeholders, including farmers, government officials, dealers, academics, students and members of the general public. We believe that our participation across the agricultural value chain and our efforts to provide total solutions to farmers as well our position as an end customer to certain farmers, enhance our knowledge, relationships, brand name and strong distribution network.

Leadership in each of the markets in which we operate

We are among the market leaders in each of the markets in which we operate. In addition, as one of India's leading high technology agricultural solution providers, we believe we have established a first-mover advantage in the markets in which we operate. We won the APEDA Golden Trophy for the last five consecutive years which recognized our position as the largest exporter of processed fruits and vegetables in India. In addition, we are one of the major players in the MIS and agriculture PVC pipes and the HDPE pipes segments according to Spark Capital. Our total revenues were Rs.58,744.3 million, Rs.61,936.5 million, Rs.63,336.9 million, Rs.29,906.5 million and Rs.31,778.0 million for fiscal years 2014, 2015 and 2016 and the six months ended September 30, 2015 and 2016, respectively. Our profit for the year was Rs.553.9 million and Rs.882.7 million for fiscal years 2015 and 2016, respectively. Our total comprehensive income (after tax) was Rs.165.5 million and Rs.787.8 million for the six months ended September 30, 2015 and 2016, respectively. We believe our leadership position provides us with leverage with our customers, dealers, suppliers and other stakeholders, thereby helping us strengthen the recognition and appeal of our products and brands and preserve our margins. In addition, we believe our leadership position provides us with significant credibility with respect to creditors and investors, which allows us to access financing and capital on favorable terms.

Diversified revenue base

Our extensive range of product portfolio and global geographical presence provide us with a diversified revenue base. We operate four business segments which offer an extensive product portfolio. Our hi-tech agri input products segment comprises MIS products, solar pumping systems, integrated irrigation projects, cultivated tissue culture plants, precision farming products and advisory services. Our plastic products segment comprises piping systems, PVC sheets and turnkey services. Our agro-processed products segment comprises dehydrated onion and vegetable products, processed fruit products and biogas power generation. Hi-tech agri input products, plastic products, agro-processed products and other products and services accounted for 46.1%, 27.3%, 23.8% and 2.8% of our net sales income from operations for the six months ended September 30, 2016, respectively. We believe our extensive product portfolio has allowed us to maintain a well-balanced operating revenue stream without excessive reliance on a single product. In addition, we believe our diversified product portfolio provides a robust platform of products and services that seek to address pertinent global issues such as food and water security and the effects of climate change.

With a sales presence in approximately 120 countries, including our warehouses and sales offices in 19 countries, we believe we are well positioned to increase the market share of our products. We have a diversified global geographical footprint, with India, Europe, the United States and the rest of the world accounting for 53.5%, 19.6%, 12.2% and 14.8% of our net revenue from operations for fiscal year 2016, respectively. We believe our geographic diversification mitigates our exposure to adverse weather or other conditions in any single region. The diversity of our business across geographies also provides a range of expansion opportunities across major agro-climatic regions around the world.

Extensive manufacturing, marketing, sales and distribution platform

We believe our large-scale capacity manufacturing facilities provide us with economies of scale. We believe we are able to realize such economies through our ability to spread fixed operating expenses over a large amount of products which reduces our per unit cost of production. In addition, we believe the scope of our manufacturing capacity allows us to meet the demand for most of our products without the need of making substantial capital expenditures. We currently have the capacity to produce 316,227 tons of MIS products, 334,020 tons of piping systems, 72,085 tons of dehydrated onion and vegetable products, 159,000 tons of processed fruit products and 90 million cultivated tissue culture plants per year as of September 30, 2016. We believe we have demonstrated a strong track record of operating large-scale manufacturing capacities efficiently across various product lines and geographies. In addition, we believe that the manufacturing facilities that we operate across the globe provide a strong platform for further expansion of our distribution network.

Our extensive network of dealers in India provides a significant competitive advantage which we believe our competitors cannot easily replicate. We had 6,527 dealers in India who market our hi-tech agri input products and plastic products to end customers as of September 30, 2016, approximately two-thirds of which market such products on an exclusive basis. Most of these dealers come from farming backgrounds and have deep relationships in the farming communities in which they operate. In addition, such dealers are primarily located in rural areas placing them in close proximity to the farmers which constitute a significant portion of our end customers of hi-tech agri input products and plastic products. We believe our strong local sales force gives us a deep understanding of the needs of our end customers in India and assists us in providing strong after-sales support and sharing our knowledge with our end customers. We also have a pool of approximately 1,364 agricultural scientists, technicians and engineers in India as of September 30, 2016, that provide agricultural and infrastructure solutions to our customers which allow us to customize the application of our products in accordance with our customers' needs.

Our international marketing, sales and distribution platform is comprised of approximately 4,028 distributors and customers, 130 sales managers and 66 agents located in North America, Europe, South America, Asia, Australia and other locations as of September 30, 2016. In addition, we operate 18 manufacturing facilities outside of India located in four continents, namely Europe, North America, South America and other parts of Asia. Our international footprint includes sales operations in the United States and South America which we believe are attractive growth markets for the sales of our products. In addition, we believe our international marketing, sales and distribution platform allows for a global recognition of our brands and products.

Strong R&D capabilities and intellectual property

We have strong competence in R&D in each of our business segments. We focus our R&D operations in the technical development of new products and improvement of existing products. Our R&D team is also responsible for developing new and more efficient production processes and the enhancement of existing production processes. We believe that providing timely and cost-effective improvements in product quality is a key factor in ensuring customer satisfaction and retention. We have gained significant product development expertise, which has enabled us to create a portfolio of innovative products. For instance, we have the R&D capabilities to develop agro-processed products for the retail markets. In addition, we began the production of irrigation monitoring devices and software, which monitor and analyze soil moisture, nitrogen, nutrient and weather conditions, under the "Puresense" brand in the United States, positioning us as a leading agricultural technology player in the United States. Our "Puresense" products provide technology and software for farmers to monitor irrigation requirements at crop root levels on a real time basis. In addition, we have developed a wireless sprinkler with modifiable water flow and pattern under the "Genesys" brand. In 2016, we also introduced other product innovations such as a self-cleaning automatic filter, sand separators, fertilizer injection machines and water jets. Our dedication to technological leadership has enabled us to maintain a long track record of introducing innovative products.

Furthermore, our global R&D operations allow us to integrate new technologies, best practices and knowhow across our international operations including by introducing new and improved products at our core manufacturing base in India where we can exploit our low-cost manufacturing capability and economies of scale. As of September 30, 2016, we employed 170 R&D personnel.

We have a portfolio of approximately 610 trademarks in India out of which 421 trademarks are registered for our various products and service lines, including MIS products and services, piping systems, agro-processed products, PVC sheets, renewable energy systems and other products. We have registered 13 trademarks in the United States and two in each of Canada and Mexico. We have also applied for 54 trademarks for our MIS products in Turkey, out of which we have received registration for 10 trademarks. We also own several patents worldwide including in the United States, Europe, Israel and India, and have applied for one in Australia. We have built our patent portfolio by placing a continuous focus on R&D and by acquiring R&D-driven companies outside of India to expand our intellectual asset base.

Strong product quality and internal quality controls

We have implemented a comprehensive quality management program and adhere to a strict quality control system over our entire operations. We believe our strong product quality and internal quality controls allow us to operate our manufacturing facilities efficiently by reducing defects and waste and have fostered the trust of our customers in the products that we manufacture. For instance, our operations in India possess the certifications which allow us to access export markets. With respect to our agro-processed products, we also implement Jain Good Agricultural Practices and Sustainable Agricultural Codes to promote traceability, food safety, worker welfare, hygiene, sanitation as well as environmental and biodiversity protection, conservation and enhancement. In addition, our manufacturing facilities of MIS products implements equipment which automatically rejects defected products.

Experienced board and management team

We have a highly experienced management team with extensive experience and domain knowledge in each of the segments in which we operate. See "Management and Corporate Governance". Our management team has a demonstrated track record of achieving improved financial results and has solidified our customer relationships as well as enhanced our respective local management teams. Each of our senior management has significant experience in our Company due to his or her extensive periods of service. In addition, we benefit from the support of our senior management and principal shareholders whom we believe are committed to the long-term growth and prospects of our Company. Furthermore, we have experienced senior managers at the regional levels with significant experience and understanding of their respective markets and regions. Our local management has ownership of day-to-day operational decisions while being guided by central principles aligned to our vision and strategy. We believe that the strength of our management team combined with our local management enables us to take advantage of strategic market opportunities, to make decisions at the local level quickly and to better serve our customers. We believe that our management team has been instrumental to our achievement of increase in operating margins and allowed us to be able to leverage our long-standing relationships with customers and distributors to drive revenue growth and win new and repeat business.

Our Strategy

Expand our geographic markets and product offering

We plan to continue to expand the geographic reach of our operations in India as well as globally. While sales of our MIS products and piping systems in India have historically been focused primarily in the Western and Southern parts of the country, we intend to increase our sales in other regions through expanding the reach of our distribution network and leveraging our existing marketing capabilities. In addition, we intend to continue expanding our capabilities to provide integrated irrigation solutions and turnkey services and capture the significant opportunities for growth provided by anticipated increases in infrastructure spending by governments in India and abroad. We also intend to continue to expand our sales of MIS products and expand our sales of solar pumping systems into Africa and South America, geographies which we believe provide attractive opportunities for growth. By further diversifying our revenue stream geographically, we believe that we reduce concentration risks, such as foreign exchange related risks, weather and crop-related risks and economic risks.

We also intend to capitalize on growth opportunities and further strengthen our market position through the expansion of our product offering. We intend to leverage our R&D capabilities to diversify the application of our MIS products in India, which are currently primarily concentrated in sugar cane, cotton, vegetables and fruits, to applications for wheat and rice. We believe this constitutes a significant opportunity for horizontal expansion to increase the sales of our MIS products. We also intend to expand our processed fruit products offering by commencing the manufacture of processed citrus pulps and concentrates. In addition, we plan to commence the manufacture of processed spices made from turmeric, chili, pepper and ginger for both the wholesale and retail markets.

In order to bolster our manufacturing capabilities in India, we intend to develop an integrated agricultural and horticultural park in Andhra Pradesh, which we expect will comprise manufacturing and R&D facilities for MIS products, cultivated tissue culture plants and agro-processed products. In addition, we have entered into a memorandum of understanding with Hindustan Coca-Cola and the state government of Maharashtra for the development of a manufacturing facility to produce orange juice and orange juice concentrates and a nursery to cultivate orange plants. We plan to commence development of these projects in 2017.

In addition, we intend to maintain our position as a leading agricultural technology player. We intend to develop our current portfolio of high technology irrigation monitoring devices and software products to add features which enable data collection, processing and analysis which we intend to sell as a service to our customers. We believe these services would provide significant analytical tools for farmers to optimize planting strategies to improve production, cut operational costs and minimize environmental impact.

Expand our retail product portfolio

We intend to expand our retail product portfolio of agro-processed products in order to capture opportunities to produce downstream products. We intend to commence the production of processed fruit snacks in India under an in-house brand. We intend to use the processed fruit pulps that we produce as raw materials for the manufacturing of such processed fruit snacks. In addition, we are currently conducting trials for the introduction of retail fruit juice vending machines with a leading fast-moving consumer goods company. We intend to use the processed fruit pulps that we produce as raw materials for the manufacturing of such fruit juice.

We also intend to introduce additional retail processed fruit products, such as frozen fruit puree made from jamun, strawberry and guava as well as ready-blend spices.

Implement prudent financial strategy

We seek to optimize our capital structure by assessing the benefits and suitability of utilizing different funding sources. We seek to refinance our indebtedness with the proceeds from the offering of the Notes to lower our borrowing costs. In addition, we intend to reduce our working capital requirements by continuing to implement our cash and carry policy for our sales of MIS products to dealers in India, which we expect will reduce our gross credit days for the sales of MIS products. We also intend to leverage our relationship with SAFL to bolster our liquidity position as SAFL expands its operations in the extension of credit to our customers, providing upfront cash for the purchases of our products. We intend for these measures to increase our free cash flow, enabling us to better pursue the development of our business.

Pursue merger and acquisition opportunities that are in line with our vision and strategic objectives

Our experienced management team monitors markets and taps their broad business networks for potential merger and acquisition ("M&A") opportunities that fit our vision, mission and strategic objectives. We plan to prudently and selectively pursue strategic M&A opportunities that will allow us to expand and/or complement our current portfolio of products, marketing capabilities and geographical footprint. In evaluating potential M&A opportunities, we will consider the following selection criteria: the strategic fit and attractiveness of the M&A opportunity, the value to be created by such M&A opportunity, the capabilities of the target's management team, the scope of organic growth that we can achieve through such M&A, and our targeted internal rate of returns that we aim to realize in making such investments.

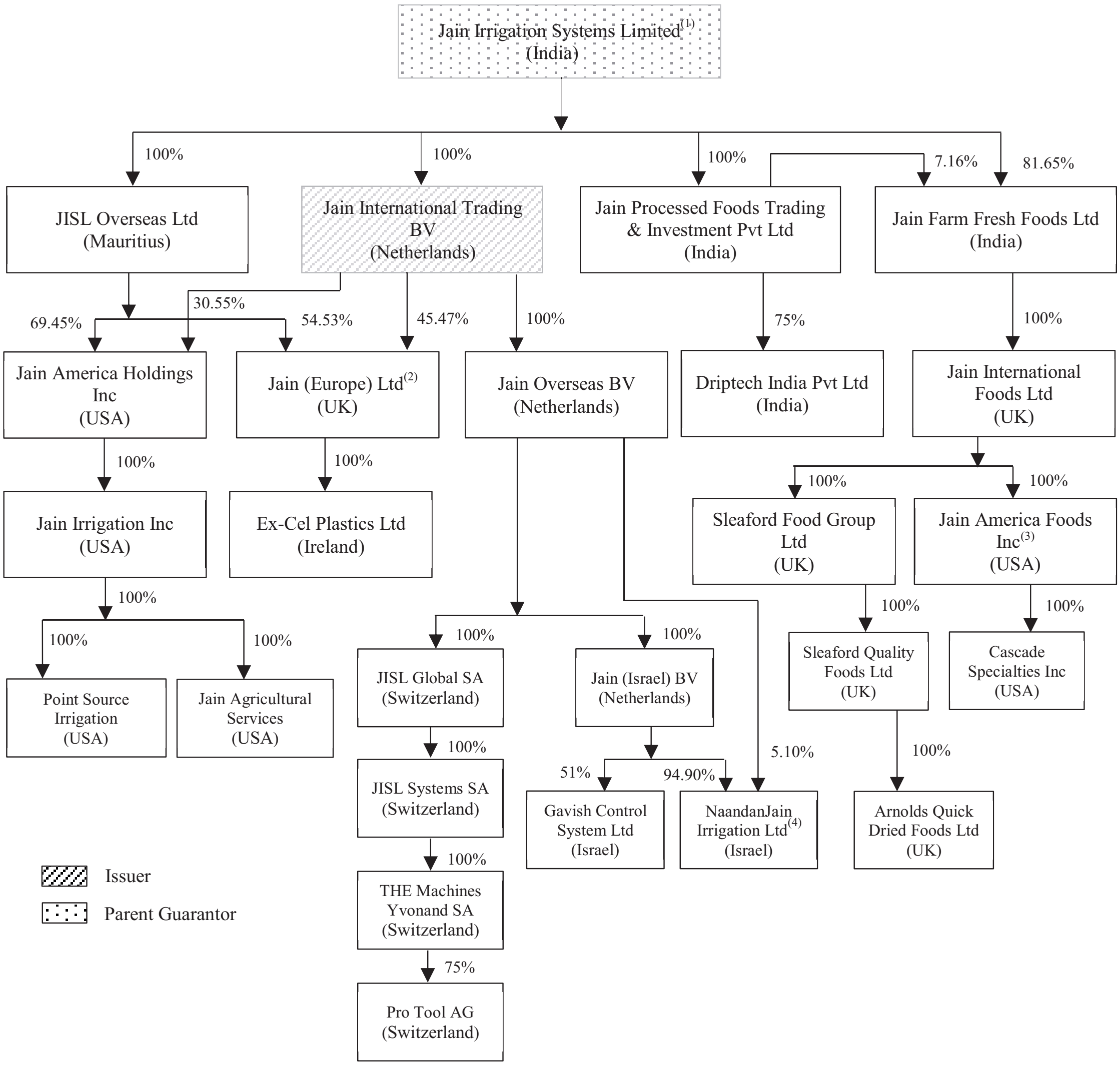
Corporate Information

The Issuer's registered office and corporate headquarters are located at Haaksbergweg 71, 1101 BR Amsterdam, the Netherlands, and its telephone number at that location is +31-20-670-2005.

The Parent Guarantor's registered office and corporate headquarters are located at Jain Plastic Park, N.H. No. 6, Bambhori, Jalgaon 425001, India, and its telephone number at that location is +91-257-2258011. Our website address is http://www.jains.com. The information on our website is not a part of this Offering Memorandum.

Corporate Structure

The diagram below depicts our corporate structure as of the date of this Offering Memorandum.



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(1) The Parent Guarantor holds a 49.0% interest in SAFL, a non-banking financial company which focuses on providing financing solutions to Indian farmers. For more information on SAFL, see "Business — Sustainable Agro-commercial Finance Limited".

(2) Jain (Europe) Ltd has an additional subsidiary as of the issue date of the Notes.

(3) Jain America Foods Inc has one subsidiary as of the issue date of the Notes.

(4) NaandanJain Irrigation has 14 subsidiaries as of the issue date of the Notes.

THE OFFERING

The summary below describes the principal terms of the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See "Description of the Notes" for a more detailed description of the terms and conditions of the Notes. Terms used and otherwise not defined in the summary below shall have the meanings given to them in "Description of the Notes".

Issuer	Jain International Trading BV.
Parent Guarantor	Jain Irrigation Systems Limited.
Notes Offered	US$ aggregate principal amount of % Senior Notes due 2022 (the "Notes").
Offering Price	100.00%.
Maturity Date	, 2022.
Interest	The Notes will bear interest at a rate of % per annum, payable semi-annually in arrears on and of each year, commencing , 2017.
Ranking of the Notes	The Notes are:

- general, unsecured and unsubordinated obligations of the Issuer;
- senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Issuer (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law);
- guaranteed by the Parent Guarantor on a senior basis, subject to the limitations described below under "Note Guarantee" and in "Risk Factors — Risks Relating to the Notes and the Note Guarantee";
- effectively subordinated to the existing and future secured obligations of the Issuer, if any, and the Parent Guarantor, to the extent of the value of the assets serving as security therefor; and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

Note Guarantee	The Notes will be Guaranteed by the Parent Guarantor. As of the Original Issue Date, Parent Guarantor's potential liability under its Note Guarantee is capped at an amount equal to 150% of the total initial aggregate principal amount of the Notes being US$ (the "Note Guaranteed Amount"). The Note Guaranteed Amount will be reduced by any amounts paid by the Parent Guarantor under the Note Guarantee from time to time. The Note Guaranteed Amount may be increased from time to time up to a maximum of 150% of the then outstanding total aggregate principal amount of the Notes, including any Additional Notes (the "Maximum Note Guaranteed Amount"). See "Risk Factors — Risks Relating to the Notes and the Note Guarantee — The guarantee of the Notes by the Parent Guarantor is capped at 150% of the principal amount of the Notes and may not be sufficient to pay all amounts due under the Notes or the Indenture".
Ranking of the Note Guarantee . .	The Note Guarantee is: • a senior unsecured obligation of the Parent Guarantor; • senior in right of payment to all future obligations of the Parent Guarantor expressly subordinated in right of payment to such Note Guarantee; • at least *pari passu* in right of payment with all unsecured, unsubordinated Indebtedness of such Parent Guarantor (subject to any priority rights of such unsecured unsubordinated Indebtedness pursuant to applicable law); and • effectively subordinated to the current and future secured obligations of the Parent Guarantor, if any, to the extent of the value of the assets serving as security therefor. See "Risk Factors — Risks Relating to the Notes and the Note Guarantee".
Use of Proceeds	We estimate that the net proceeds from this offering, after deducting the underwriters' discount and estimated expenses payable by us, will be approximately US$ million, which we plan to use, in accordance with applicable law, as follows: (i) to prepay, repay or refinance up to an aggregate of US$190.0 million of (a) the existing working capital facilities of the Parent Guarantor and Restricted Subsidiaries ("Refinanced Working Capital Facilities") and (b) the existing secured term loan facilities of the Parent Guarantor and Restricted Subsidiaries ("Refinanced Secured Term Loan Facilities"), of which at least US$50.0 million will be used to prepay, repay or refinance Refinanced Secured Term Loan Facilities;

	(ii) to pay transaction expenses in relations to clauses (i) above or (iii) below; and (iii) balance of proceeds shall be used by the Parent Guarantor and Restricted Subsidiaries for acquisitions, working capital spending and operating expenses.
Optional Redemption of the Notes	At any time and from time to time prior to , 2020, the Issuer may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to, but not including, the applicable redemption date, as set forth in "Description of the Notes — Optional Redemption". At any time and from time to time on or after , 2020, the Issuer may redeem the Notes, in whole or in part, at the redemption prices set forth in "Description of the Notes — Optional Redemption" plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date. At any time and from time to time prior to , 2020, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Parent Guarantor in an equity offering at a redemption price of % of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date.
Repurchase of Notes Upon a Change of Control	Upon the occurrence of a Change of Control (as defined herein), the Issuer will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the repurchase date. See "Description of the Notes — Repurchase of Notes Upon a Change of Control".
Redemption for Taxation Reasons	The Issuer may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes outstanding plus accrued and unpaid interest, if any, upon the occurrence of certain changes in applicable tax law. See "Description of the Notes — Redemption for Taxation Reasons".
Covenants	The Indenture governing the Notes will limit the ability of the Issuer, the Parent Guarantor and the Restricted Subsidiaries to, among other things: • incur or guarantee additional indebtedness and issue certain disqualified or preferred stock;

- pay dividends on capital stock or purchase or redeem capital stock;
- make investments or other restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- enter into agreements that restrict the Parent Guarantor's Restricted Subsidiaries' ability to pay dividends;
- transfer or sell assets;
- create liens on assets to secure indebtedness;
- enter into sale and leaseback transactions;
- enter into transactions with shareholders or affiliates; and
- merge or consolidate with or into another company.

These covenants will be subject to a number of important qualifications and exceptions. For more details, see "Description of the Notes".

Transfer Restrictions	The Notes will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See "Plan of Distribution" and "Transfer Restrictions".
Form, Denomination and Registration	The Notes will be issued only in fully registered form, without coupons, in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof and will be initially represented by one or more global notes registered in the name of a common depositary or its nominee for the accounts of Euroclear and Clearstream.
Book-Entry Only	The Notes will be issued in book-entry form through the facilities of Euroclear and Clearstream for the accounts of its participants. For a description of certain factors relating to clearance and settlement, see "Description of the Notes — Book-Entry; Delivery and Form".
Delivery of the Notes	The Company expects to make delivery of the Notes, against payment in same-day funds on or about , 2017. See "Plan of Distribution".
Trustee and Paying Agent	The Bank of New York Mellon, London Branch.

Transfer Agent and Registrar . . .	The Bank of New York Mellon (Luxembourg) S.A.
Listing	Approval in-principle has been received for the listing of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for as long as the Notes are listed on the SGX-ST.
Ratings	The Notes have been provisionally rated "B+" by S&P Global Ratings and by Fitch Ratings. We cannot assure investors that these ratings will not be adversely revised or withdrawn either before or after delivery of the Notes.
Governing Law	The Notes, the Note Guarantee and the Indenture will be governed by and will be construed in accordance with the laws of the State of New York.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "Risk Factors".
ISIN/Common Code	ISIN: .
	Common Code: .

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The Audited Financial Statements included elsewhere in this Offering Memorandum have each been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. Effective April 1, 2016, we began preparing our financial information under Ind AS, and accordingly, the Unaudited Financial Statements included elsewhere in this Offering Memorandum have each been prepared in accordance with Ind AS and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. The summary financial information presented below should be read in conjunction with the Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The tables below show the consolidated financial information for our Company as of and for the fiscal years ended March 31, 2014, 2015 and 2016 and the six months ended September 30, 2015 and 2016. The audited consolidated financial information for our Company as of and for the fiscal years ended March 31, 2014, 2015 and 2016 have been derived from the Audited Financial Statements. Our summary consolidated financial data as of and for the six months ended September 30, 2015 and 2016 have been extracted or derived from the Unaudited Financial Statements. Our results for the six months ended September 30, 2016 should not be considered indicative of the actual results we may achieve for fiscal year 2017. For a discussion of certain principal differences between Indian GAAP and Ind AS, see "Summary of Certain Principal Differences between Indian GAAP and Ind AS".

The Audited Financial Statements have been prepared and presented in accordance with Indian GAAP, which may differ in material respects from generally accepted accounting principles in other jurisdictions. See "Risk Factors — Risks Relating to Our Business — Significant differences exist between Indian GAAP, Ind AS and other accounting principles such as IFRS which may be material to investors' assessments of our financial condition".

Consolidated Statement of Profit and Loss

	Fiscal Year		
	2014	**2015**	**2016**
		(audited) (in millions of Rs.)	
Revenue from operations	59,859.5	63,092.6	64,513.5
Less: Excise duty	(1,578.2)	(1,566.1)	(1,642.2)
Revenue from operations (net)	58,281.3	61,526.5	62,871.3
Other income	463.0	410.0	465.6
Total revenue	**58,744.3**	**61,936.5**	**63,336.9**
Expenses			
Cost of material consumed	33,910.4	35,617.7	35,699.3
Changes in inventories of finished goods and work-in-progress	(501.9)	(1,160.9)	(693.1)
Employee benefit expenses	6,141.3	6,658.4	6,683.8
Finance costs	4,676.5	4,692.8	4,768.8
Depreciation and amortization expense	2,045.4	2,440.6	2,635.8
Other expenses	11,404.7	12,760.9	13,163.9
Cost of self-generated capital equipment	(372.9)	(146.7)	(79.3)
Total expenses	**57,303.5**	**60,862.7**	**62,179.2**
Profit before exceptional items and tax	**1,440.8**	**1,073.8**	**1,157.7**
Exceptional items	2,300.4	763.0	190.6
Profit (loss) before tax	**(859.6)**	**310.8**	**967.2**
Tax expenses			
- Current tax	233.0	77.7	24.1
- Deferred tax	(694.7)	(316.8)	84.6
Profit after tax	**(397.9)**	**549.9**	**858.5**
Prior period expense	—	4.4	0.1
Profit (loss) for the year before minority interest	**(397.9)**	**545.5**	**858.4**
Share of profit in associate	—	8.4	27.2
Minority interest	(0.3)	—	(2.9)
Profit (loss) for the year	**(398.2)**	**553.9**	**882.7**
Earnings per share: (Face value Rs.2 per share)			
Basic	(0.9)	1.2	1.9
Diluted	(0.9)	1.2	1.9

	Six months ended September 30,	
	2015	2016
	(unaudited) (in millions of Rs.)	
Income from operations		
Sales / income from operations	29,621.5	31,357.2
Other operating income	285.0	420.8
Total income from operations (net)	**29,906.5**	**31,778.0**
Expenses		
Cost of materials consumed	18,052.5	20,028.5
Purchase of stock-in-trade	—	—
Changes in inventories of finished goods, work-in-progress and stock-in-trade including biological assets	(1,999.2)	(3,689.8)
Excise duty on sales	778.1	813.6
Employees benefits expense	3,079.1	3,617.1
Depreciation and amortization expenses	1,311.6	1,424.8
Other expenses	6,452.4	6,784.4
Manufacturing expenses	2,793.0	2,814.5
Selling and distribution expenses	1,819.7	2,059.7
Administrative and other expenses	1,799.3	2,056.1
Foreign exchange fluctuation loss (gain)	40.4	(145.9)
Cost of self-generated capital equipment	(1.0)	(23.4)
Total expenses	**27,673.5**	**28,955.2**
Profit (loss) from operations before other income, Finance costs and exceptional items	2,233.0	2,822.8
Other Income	207.3	276.1
- Interest	101.7	53.2
- Other	105.6	222.9
Profit (loss) from ordinary activities before finance costs and exceptional items	**2,440.3**	**3,098.9**
Finance costs	2,422.9	2,285.9
Profit (loss) from ordinary activities after finance costs but before exceptional items	**17.4**	**813.0**
Exceptional items	—	—
Profit (loss) from ordinary activities before tax	17.4	813.0
Profit from ordinary operations before tax	**17.4**	**813.0**
Tax expenses	(57.4)	(89.6)
Net profit (loss) from ordinary activities after tax	**74.8**	**902.6**
Net profit from ordinary activities after tax	**74.8**	**902.6**
Prior period expenses	—	—
Net profit from ordinary activities after tax	**74.8**	**902.6**
Extraordinary items	—	—
Net profit (loss) for the period	**74.8**	**902.6**
Share of profit in associate company	16.3	14.0
Minority interest	—	(50.9)
Net profit (loss) after taxes minority interest and share of Profit (loss) of associates	**91.1**	**865.7**
Other comprehensive income (net of tax)	**74.4**	**(77.9)**
Total comprehensive income (after tax)	**165.5**	**787.8**
Paid-up equity share capital (face value of the Share Rs.2/-)	924.8	958.9
Earnings per share (before extraordinary items) (of Rs.2/- Each) (not annualized):		
Basic	0.2	1.7
Diluted	0.2	1.7
Earnings per share (after extraordinary items) (of Rs.2/- each) (not annualized):		
Basic	0.2	1.7
Diluted	0.2	1.7

Consolidated Statement of Financial Position

	As of March 31,		
	2014	2015	2016
		(audited) (in millions of Rs.)	
Equity and Liabilities			
Shareholders' funds			
Share capital	924.8	924.8	953.0
Reserves and surplus	20,830.7	20,474.2	23,398.3
	21,755.5	**21,399.0**	**24,351.3**
Minority interest	204.8	—	692.0
Non-current liabilities			
Long term borrowings	14,976.6	16,956.9	19,309.6
Deferred tax liabilities (net)	1,411.7	1,201.2	1,522.2
Other long term liabilities	257.3	372.2	505.6
Long term provisions	64.3	87.1	92.2
	16,709.9	**18,617.4**	**21,429.6**
Current Liabilities			
Short term borrowings	21,889.2	22,401.4	21,210.4
Trade payables			
Total outstanding dues to small enterprises and medium enterprises	—	30.0	107.2
Total outstanding dues to trade payable other than small enterprises and medium enterprises	13,432.7	13,538.3	13,316.3
Other current liabilities	7,579.5	7,284.0	7,986.0
Short term provisions	552.3	528.9	589.2
	43,453.6	**43,782.6**	**43,209.1**
Total	**82,124.0**	**83,798.9**	**89,682.0**
Assets			
Non-current assets			
Fixed assets			
Goodwill on consolidation	2,192.1	2,556.7	2,928.0
Tangible assets	25,003.9	24,531.1	24,618.0
Intangible assets	575.4	519.6	472.9
Capital work-in-progress	806.9	525.9	603.7
	28,578.3	**28,133.2**	**28,622.6**
Non-current investments	14.2	620.6	650.1
Deferred tax assets (net)	1,194.3	1,358.4	1,594.8
Long term loans and advances	3,198.8	2,951.0	2,954.5
Other non-current assets	1,058.2	1,447.4	1,565.0
	5,465.5	**6,377.4**	**6,764.4**
Current assets			
Current investment	—	—	350.0
Inventories	18,363.9	18,565.9	19,199.4
Trade receivables	17,994.0	19,541.0	22,484.9
Cash and bank balances	1,968.2	3,041.1	3,808.2
Short term loans and advances	5,612.1	4,631.3	4,520.2
Other current assets	4,142.0	3,509.1	3,932.3
	48,080.2	**49,288.3**	**54,295.0**
Total	**82,124.0**	**83,798.9**	**89,682.0**

	Six months ended September 30,	
	2015	2016
	(unaudited) (in millions of Rs.)	
Assets		
Non-current assets		
Property, plant and equipment	25,110.2	24,288.4
Capital work-in-progress	684.0	1,271.1
Intangible assets	561.7	503.9
Goodwill on consolidation	3,413.6	3,441.3
Financial assets		
- Investments	688.9	726.6
- Loans	1,812.8	1,766.9
- Other financial assets	239.2	366.1
Deferred tax assets	1,625.7	2,883.6
Other non-current assets	812.6	891.4
Total non-current assets	**34,948.7**	**36,139.3**
Current assets		
Inventories	20,983.0	23,711.7
Biological assets other than bearer plants	268.7	462.9
Financial assets		
- Trade receivables	18,274.2	21,539.7
- Cash and cash equivalent	2,143.5	1,856.2
- Loans	287.2	305.7
- Other financial assets	549.5	682.6
Current tax assets (net)	367.6	477.6
Other current assets	8,490.9	8,470.3
Total current assets	**51,364.6**	**57,506.7**
Total assets	**86,313.3**	**93,646.0**
Equity and liabilities		
Equity		
Equity share capital	924.8	958.9
Other equity	20,433.9	26,810.4
Total equity	**21,358.7**	**27,769.3**
Non-controlling interest	—	737.4
Liabilities		
Non-current liabilities		
Financial liabilities		
- Borrowings	16,379.7	13,715.1
- Other financial liabilities	1,085.0	946.6
Provisions	86.3	131.2
Deferred tax liabilities (net)	89.0	1,447.8
Total non-current liabilities	**17,640.0**	**16,240.7**
Current liabilities		
Financial liabilities		
- Borrowings	25,477.2	24,449.5
- Trade payable	13,878.3	14,497.6
- Other financial liabilities	5,546.0	7,830.8
Other current liabilities	1,865.7	1,472.0
Provisions	547.4	648.7
Total current liabilities	**47,314.6**	**48,898.6**
Total equity and liabilities	**86,313.3**	**93,646.0**

Consolidated Statement of Cash Flows

	Fiscal Year		
	2014	2015	2016
	(audited) (in millions of Rs.)		
Cash flow from operating activities:			
Net profit before tax	(859.6)	310.8	967.2
Adjusted for:			
Depreciation and amortization expense	2,045.4	2,440.6	2,635.8
Amounts written off and provisions	505.7	627.9	541.2
Un-realized forex (gain) loss	1,208.3	(57.2)	(815.4)
Provision for wealth tax	0.0	(0.1)	(0.5)
Provision for gratuity and other benefit	43.3	4.2	34.0
Loss (profit) on asset sale discarded (net)	(157.7)	(32.3)	(33.7)
Loss (profit) on sale of investments	—	—	(0.1)
Interest and finance charges	4,676.5	4,692.8	4,768.8
Provision for doubtful debts and advances written back	(15.9)	(31.7)	(96.4)
Sundry credit balances appropriated	(9.2)	(21.8)	(14.6)
Dividend and interest income	(114.0)	(190.4)	(188.1)
Operating profit before working capital changes	**7,322.8**	**7,742.7**	**7,798.1**
Changes in working capital:			
(Increase) decrease in trade and other receivables	1,318.6	(1,957.3)	(3,358.7)
(Increase) decrease in loans and advances and other assets	(3,019.7)	530.5	(374.7)
(Increase) decrease in inventories	(1,133.2)	(202.0)	(633.5)
Increase (decrease) in trade payable, other liabilities and provisions	1,290.9	761.2	(46.1)
Cash flow generated from operations	**5,779.3**	**6,875.1**	**3,385.1**
Taxes paid	(40.9)	(270.6)	(86.8)
Net cash flow from operating activities	**5,738.4**	**6,604.5**	**3,298.3**
Cash flow from investing activities:			
Purchase of fixed assets (including changes in changes in capital work in progress and capital advances)	(3,321.5)	(2,204.7)	(2,365.9)
Sale of fixed assets	706.7	112.1	45.8
Purchase of investment	(1.0)	(10.0)	(352.4)
Acquisition of strategic investment(1)	(407.4)	(356.1)	(371.4)
Share application money paid	(7.5)	(10.0)	—
Interest received	102.5	189.0	190.0
Dividend income	8.0	0.0	0.0
Net cash flow used in investing activities	**(2,920.2)**	**(2,279.7)**	**(2,853.9)**

	Fiscal Year		
	2014	2015	2016
	(audited) (in millions of Rs.)		
Cash flow from financing activities:			
Total proceeds by way of issue of shares	—	—	1,074.8
Total proceeds by way of issue of share warrants	485.4	—	—
Investment by minority shareholders	—	—	2,403.1
Fixed deposits placed with bank	—	—	(16.6)
Increase (decrease) in term loans (net)	(832.9)	1,141.9	3,131.2
Increase (decrease) working capital borrowings (net)	2,048.6	513.7	(1,191.0)
Interest and finance charges paid	(4,637.9)	(4,640.9)	(4,797.5)
Dividend and dividend distribution tax paid	(265.2)	(269.5)	(277.4)
Net cash flow from (used in) financing activities	**(3,202.0)**	**(3,254.8)**	**326.6**
Net increase (decrease) in cash and cash equivalents	**(383.8)**	**1,070.0**	**771.0**
Cash and cash equivalents as at the beginning of the year	2,323.8	1,940.0	3,010.0
Cash and cash equivalents as at end of the year	1,940.0	3,010.0	3,781.0
Net increase (decrease) in cash and cash Equivalents	(383.8)	1,070.0	771.0

(1) In fiscal year 2015, share of profit in associates was reclassified as acquisition of strategic investment under cash flow from (used in) investing activities prior to which it was classified under cash flow from (used in) operating activities.

	Six months ended September 30,	
	2015	2016
	(unaudited) (in millions of Rs.)	
Cash flow from operating activities:		
Net profit before tax	33.7	827.1
Adjustment for:		
Depreciation and amortization expense	1,311.6	1,424.8
Amounts written off and provisions	244.3	166.8
Unrealized forex (gain) loss	(987.4)	(159.1)
Provision for gratuity and other benefit	16.6	59.4
Loss (profit) on assets sale/discarded (net)	(19.8)	(9.2)
Loss (surplus) on sale of investments	—	(19.9)
Change in fair value of investments	(0.3)	(0.9)
Change in fair value of biological assets	32.3	(94.4)
Change in fair value of options of FCCB	59.8	84.7
(Gain) loss on derivatives	45.6	(15.7)
Profit in investee company	(16.3)	(13.9)
Finance costs	2,422.8	2,286.1
Provision for doubtful debts and advances written back	(28.2)	(119.2)
Employee stock option ("ESOP") issue expenses	—	(29.6)
Sundry credit balances appropriated	(0.6)	(1.2)
Dividend/interest income	(101.7)	(53.2)
Operating Profit before working capital changes adjustment for:	**3,012.4**	**4,332.4**
(Increase) decrease in trade and other receivables	1,326.5	379.6
(Increase) decrease in loans and advances and other assets	(1,089.5)	(1,300.2)
(Increase) decrease in inventories	(2,687.7)	(4,997.7)
(Increase) decrease biological assets	48.6	(54.4)
Increase (decrease) in trade payable, other liabilities and provisions	(363.4)	(455.5)
Cash generated from operations	**247.0**	**(2,095.9)**
Direct taxes paid	2.6	(113.4)
Net cash from operating activities	**249.6**	**(2,209.3)**
Cash flow from investing activities:		
Purchase of fixed assets	(1,027.8)	(1,067.7)
Sale of fixed assets	28.2	22.3
Sale (purchase) of investment (net)	—	369.9
Acquisition of strategic investment	(332.0)	(351.5)
Interest received	81.9	51.1
Dividend income	0.0	0.0
Net cash flow from investing activities	**(1,249.6)**	**(976.0)**
Cash flow from financing activities:		
Total proceeds by way of issue of shares (net)	0.0	202.4
Proceeds from term loan borrowings (net)	566.1	105.9
Fixed deposits placed with bank	(22.7)	(10.5)
Proceeds from working capital borrowings (net)	1,954.8	3,077.0
Interest and finance charges paid	(2,391.0)	(2,139.7)
Dividend and dividend distribution tax paid	0.9	0.9
Net cash used in financing activities	**108.1**	**1,236.0**
Net increase in cash and cash equivalents	**(891.9)**	**(1,949.3)**
Cash and cash equivalents as of the beginning of the year	3,007.6	3,767.9
Cash and cash equivalents as of end of the year	2,115.7	1,818.6

Other Financial Data

	As of March 31,			Six months ended September 30,	
	2014	2015	2016	2015	2016
	(in millions of Rs.)				
Adjusted EBITDA[(1)]	8,498.1	8,616.3	8,889.6	3,920.1	4,350.1

(1) Adjusted EBITDA is calculated as (i) profit before exceptional items and tax for fiscal years 2014, 2015 and 2016 and (ii) profit (loss) from ordinary activities after finance costs but before exceptional items for the six months ended September 30, 2015 and 2016, in each case before: (a) profit on sale of assets, (b) profit on sale of investments, (c) dividend income, (d) sundry balances appropriated, (e) finance costs, (f) loss on foreign currency transactions and translation, (g) other non-operating expenses (corporate social responsibility expenses and business acquisition expenses), (h) interest on deposits and others, (i) depreciation and amortization expense, (j) irrecoverable claims, (k) bad debts and bad advances, (l) provisions for bad and doubtful debts and (m) with respect to Adjusted EBITDA for the six months ended September 30, 2015 and 2016 only, gain on fair valuation of equity instruments and mutual funds. Adjusted EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.

The following table reconciles Adjusted EBITDA to profit before exceptional items and tax for the periods indicated.

	Fiscal Year		
	2014	2015	2016
	(audited) (in millions of Rs.)		
Profit before exceptional items and tax	**1,440.8**	**1,073.8**	**1,157.7**
Profit on sale of assets	(4.5)	(32.3)	(33.7)
Profit on sale of investments	(153.2)	—	(0.1)
Dividend income	(8.0)	(0.0)	(0.0)
Sundry balances appropriated	(9.2)	(21.8)	(14.6)
Finance costs	4,676.5	4,692.8	4,768.8
Loss on foreign currency transactions and translation	—	—	15.5
Other non-operating expenses (corporate social responsibility expenses and business acquisition expenses)	110.7	25.8	7.2
Interest on deposits and others	(106.0)	(190.3)	(188.1)
	5,947.1	**5,547.9**	**5,712.7**
Depreciation and amortization expense	2,045.4	2,440.6	2,635.8
Irrecoverable claims	250.6	320.3	126.3
Bad debts and bad advances	73.8	140.3	185.9
Provisions for bad and doubtful debts	181.3	167.4	228.9
Adjusted EBITDA	**8,498.1**	**8,616.3**	**8,889.6**

The following table reconciles Adjusted EBITDA to profit (loss) from ordinary activities after finance costs but before exceptional items for the periods indicated.

	Six months ended September 30,	
	2015	2016
	(unaudited) (in millions of Rs.)	
Profit (loss) from ordinary activities after finance costs but before exceptional items	**17.4**	**813.2**
Profit on sale of assets	(19.8)	(9.2)
Profit on sale of investments	—	(19.9)
Dividend income	—	—
Sundry balances appropriated	(0.6)	(120.4)
Finance costs	2,422.9	2,285.9
Loss on foreign currency transactions and translation	40.4	(145.5)
Gain on fair valuation of equity instruments and mutual funds	(0.3)	(0.9)
Other non-operating expenses	5.9	8.9
Interest on deposits and others	(101.7)	53.2
	2,364.2	**2,758.5**
Depreciation and amortization expense	1,311.6	1,424.8
Irrecoverable claims	55.9	54.3
Bad debts and bad advances	65.4	43.1
Provisions for bad and doubtful debts	123.0	69.4
Adjusted EBITDA	**3,920.1**	**4,350.1**

RISK FACTORS

An investment in the Notes involves a high degree of risk. You should carefully consider all the information in this Offering Memorandum, including the risks and uncertainties described below, in deciding whether to invest in the Notes. If any or some combination of the following risks actually occur, our business, cash flows, financial condition, results of operations and prospects could suffer, the trading price of the Notes could decline, we may not be able to meet our obligations under the Notes and you may lose all or part of your investment.

The risks and uncertainties described in this section are those that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those that we are not aware of or currently consider immaterial which may become material in the future, may also result in decreased income, increased expenses or other events that could result in a decline in the value of the Notes.

Risks Relating to Our Business

The demand for micro irrigation technology is highly dependent on government incentives and initiatives. Any reduction in, or delays in the provision of, government support could adversely affect our business and growth prospects.

Demand for our MIS products in India and overseas is highly dependent on the availability of government incentives and also on commercial loans to farmers at concessional rates for agricultural uses and other initiatives. For example, in India, our MIS products segment has been assisted by Indian Government policies designed to promote the use of micro and other irrigation systems. The central and state governments provide subsidies to qualifying Indian farmers to the extent of at least 35% of the cost of acquiring qualifying irrigation equipment from approved suppliers. In the states of Andhra Pradesh and Gujarat, the state governments have a list of approximately 40 and 65 approved suppliers, respectively, eligible to participate in their subsidy programs of which we are one. However, these programs and our participation in them are reviewed by the governments of Andhra Pradesh and Gujarat from time to time and the number of approved suppliers has been increasing over time. Therefore we cannot assure you that we will continue to remain an approved supplier. Our business and business prospects could be materially and adversely affected by the reduction or withdrawal, or delay in implementation, of government programs to assist the industry, or if we become ineligible to participate as a supplier under any of these schemes.

In addition, the Government requires commercial banks, cooperative banks and regional rural banks to provide a certain minimum amount of funding to certain prioritized sectors which include the agriculture sector and funding for the purposes of crop loans. Credit facilities up to a certain maximum amount are provided at interest rates which are lower than market interest rates. Any reduction in the provision of such funding or the availability of credit facilities to our end customers or any delay of the implementation of any such initiatives would materially and adversely affect our business, cash flows, financial condition, results of operations and prospects. Further, our dealers may not comply with Government documentary requirements and inspections relating to the disbursements of subsidies and incentives for the sales of MIS products and such non-compliance may cause the end users of our products to be unable to obtain any government subsidies or incentives and purchase our MIS products or from such dealers.

We benefit from various government incentives and policies and changes to these policies may adversely affect our operations.

In addition to the micro irrigation incentives received by farmers for our products, we benefit from various other government incentives and policies. For example, we operate certain of our units under the export promotional scheme of the Government and are required to achieve positive net foreign exchange as prescribed under such scheme. If we fail to achieve prescribed levels of exports, we would be liable to penal actions. We also receive refund from taxes in Maharashtra up to Rs.3,850 million due to the Mega Project scheme for which our investment at our manufacturing facilities at Bambhori, Jalgaon qualifies. We also receive certain tax incentives. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting our Results of Operations — Government Incentive Schemes". We will need to meet certain conditions to continue to qualify for these incentives and schemes. Should any government cease or alter such incentives and policies in a way that would cause us to be unable to benefit from such incentives and policies, it could have a material adverse effect on our business, cash flows, financial condition, results of operations and prospects.

Our sales and operations, particularly our agro-processed products, are affected by seasonal and other factors.

Our manufacturing of agro-processed products varies over the course of each year, reflecting seasonal changes in the availability of raw materials. The effects of the monsoon and weather in India, including flooding, droughts and subsequent damage to crops, significantly affect the success of crop harvesting and can be more severe in India than in other countries. Our agro-processed products segment relies on the availability of mangoes, onions and other fruits and vegetables from Indian producers at a reasonable price and quality and in adequate quantities. We generally purchase these raw materials at the market price. In addition, we purchase certain fresh onions from farmers with whom we have purchase arrangements at either their minimum guaranteed price, which is agreed for each growing season, or at or around the market price, whichever is higher. The raw materials of our agro-processed products are agricultural commodities, the availability and prices of which are subject to wide fluctuations due to factors such as occurrences of diseases, changes plantings, competition, changing worldwide demand for farm outputs to meet the world's growing food and bio-energy demands, as well as applicable government programs and policies.

We typically source approximately 60% of our fresh onion requirements from farmers with whom we have purchase arrangements. However, our arrangement with such farmers does not provide for an agreed minimum quantity of fresh onions that they will provide to us. Loss of crops, realization of lower production yields by such farmers or their inability or refusal to sell onions to us would require us to purchase alternative supplies which may not be of comparable quality or available at the same prices or in the required quantities.

Any inability to obtain an adequate supply of raw materials for our agro-processed products may result in reduced production, the need to purchase more expensive and/or lower quality produce from alternative sources, or increased processing costs. If we are unable to obtain raw materials, we may need to cease production, which may cause us to fail to meet our production targets.

An adverse agricultural season may reduce the supply of fruit and vegetables we require to produce agro-processed products. In addition, we may also experience fluctuations in our inventory and accounts receivable due to the seasonality of the cultivation of our raw materials. In particular, processed mangoes accounted for approximately 32.1% of our sales of agro-processed products for fiscal year 2016. However, our mango processing season only occurs during the three-month period when raw mangoes are available, which typically occurs between May and July. For the remainder of the year, we process other fruits, such as bananas, strawberries, pomegranates and guavas which are not as profitable nor as much in demand as mangoes. Therefore, for a certain part of the year, our production units may remain idle or operate below maximum capacity. In addition, our inventory of fresh mangoes and processed mango products is higher during our peak production seasons.

Further, our sales volume of processed mangoes also varies over the course of each year. Approximately 40% of our sales of processed mangoes occur in the fourth quarter of each fiscal year and the balance occurring in the other quarters. These variations are primarily due to the seasonality in the demand for processed mango products.

Our food processing and dehydration operations are also affected by the growing cycle of the fruits and vegetables that we use as raw materials. See "— The success of our business is highly dependent on the performance of and factors affecting the Indian and global agricultural sector, including unfavorable climate and weather conditions".

Any production interruptions or capacity constraints or our inability to produce processed fruit products during the harvesting seasons of such fruits would have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our business requires the provision of credit to our dealers and other customers which results in an extended cash conversion cycle and may materially and adversely affect our cash flows and results of operations.

We sell our products on credit to our dealers and other customers. In fiscal year 2012, we implemented a cash and carry policy for the sales of our MIS products in India under which we seek to recover the entire sale proceeds from dealers within 90 to 120 days. However, in Gujarat and Andhra Pradesh, we receive proceeds from sales of MIS products which are made under Government incentive programs from Government agencies generally within 120 to 180 days from the delivery of such products. Payment of such proceeds may take longer due to administrative delays or other reasons beyond our control. As of September 30, 2016, our gross credit days for the sales of MIS products in India was 206 days. Further, our customers located in certain countries in which we sell our MIS products, including Israel, Italy, Turkey and other countries in Southern Europe, traditionally require credit periods of approximately 180 days. In certain other countries, our customers and dealers typically require a minimum credit period of approximately 60 to 90 days in order to cover the shipping period of our MIS products. Further, we generally provide a credit period of approximately 30 to 90 days to our customers of agro-processed products. In addition, we may receive delayed payments for our turnkey services which we typically provide to Government institutions, such as local water bodies and other agencies. As a result, we generally have significant trade receivables due to our extended cash collection cycle.

If we are unable to access working capital in order to provide credit to dealers and/or our customers or are unable to shorten our cash conversion cycle, this may adversely affect our ability to finance our production which could have a material adverse effect on our business, cash flows, financial condition and results of operations. In addition, sustained negative market conditions could result in difficulties obtaining financing to fund our working capital requirements, which may limit our growth and adversely affect our financial condition and results of operations.

We require substantial amounts of capital for our business operations, and the failure to obtain, or unfavorable terms under which we are able to obtain, needed capital may materially and adversely affect our growth prospects and future profitability.

We require substantial capital to finance our working capital requirements as well as to implement our growth strategies by way of capacity expansion and seeking new business opportunities. To the extent these expenditures exceed our cash resources, we will be required to seek additional debt or equity financing. Our ability to obtain additional financing on favorable commercial terms, or at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, general market conditions for financing activities by manufacturers in the industries in which we operate, economic, political and other conditions in the markets where we operate and covenants and restrictions in existing debt, share purchase agreements and shareholder agreements. Any new borrowings could include terms that restrict our financial flexibility, including the debt we may incur in the future, or may restrict our ability to manage our business as we had intended. In addition, credit market variability could have an impact on funding costs and could adversely affect the availability of financing on suitable terms. If we are unable to renew existing funding or obtain additional funding in a timely manner or on acceptable terms, our growth prospects, competitive position and future profitability could be materially and adversely affected.

We have, on a consolidated basis, a substantial amount of debt, which could impact our ability to obtain future financing or pursue our growth strategy. In addition, your right to receive payments on the Notes is effectively junior to the existing and future secured debt of the Parent Guarantor.

As of September 30, 2016, we had Rs.43,119.1 million of aggregate outstanding borrowings (excluding compulsory convertible debentures), of which approximately Rs.38,846.1 million was secured indebtedness. The rights of holders of the Notes will effectively rank junior to the rights of holders of secured debt of the Parent Guarantor, to the extent of the value of the assets securing such secured debt. In addition, we and our subsidiaries may from time to time incur substantial additional indebtedness. The Indenture restricts us and our subsidiaries from incurring additional debt subject to certain exceptions and qualifications. If we or our subsidiaries incur additional debt, the risks that we face as a result of such indebtedness and leverage could intensify. Our high level of indebtedness could have important consequences and significant adverse effects on our business, including the following:

- our ability to satisfy our obligations under the Notes and the Note Guarantee and other debt may be limited;
- our vulnerability to adverse general economic and industry conditions may be increased;
- we must use a substantial portion of our cash flow from operations to pay interest on our indebtedness, which will reduce the funds available to us for operations and other purposes;
- our ability to obtain additional financing for working capital, capital expenditures or general corporate purposes may be impaired;
- our high level of indebtedness could place us at a competitive disadvantage compared to our competitors that may have proportionately less debt;
- our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate may be limited;
- our high level of indebtedness could limit, along with the financial and other restrictive covenants of our indebtedness, our ability to borrow additional funds; and
- increase the cost of additional financing.

We cannot assure you that these factors will not adversely impact our ability to operate our business in future periods.

We have in the past been unable to comply with certain terms and conditions of our loan agreements, which non-compliance could lead to termination of facilities, acceleration of loans, or cross-defaults, which could have a material, adverse effect on our business, financial condition and results of operations.

Although we are not in breach of the provisions of our loan agreements as of the date of this Offering Memorandum, in the past, the Parent Guarantor for a period of time was unable to meet certain financial covenants stipulated under the facilities syndicated by International Finance

Corporation from developmental financial institutions. Such financial covenants included debt to EBITDA ratios, liabilities to tangible net worth ratios and historical debt service coverage ratios. In addition, the Parent Guarantor made delayed payments under certain financing facilities on a few occasions.

The Parent Guarantor has received waivers from the relevant lenders with respect to all of the foregoing non-compliances. To date, none of our lenders have accelerated any repayment of the loans or enforced any security for any such non-compliance.

There can be no assurance that we will be able to meet our financial covenant requirements in the future. Any failure to service our indebtedness, obtain a required consent or perform any condition or covenant could lead to a termination of one or more of our credit facilities and acceleration of amounts due under such facilities. Furthermore, some of our debt agreements, including the Indenture, contain cross acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, or result in a default under our other debt agreements, including the Indenture. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us. If any of these risks were to materialize, it could have a material adverse effect on our business, financial condition and results of operations.

Some of our financing agreements require us to obtain lender consents prior to undertaking various actions; failure to obtain such consents could adversely impact our results of operations.

Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. See "Description of Other Indebtedness". Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, we may require, and may be unable to obtain, lender consents to incur additional debt, issue equity, change our capital structure, increase or modify our capital expenditure plans, undertake any expansion, provide additional guarantees, change our management structure, or merge with or acquire other companies, whether or not there is any failure by us to comply with the other terms of such agreements.

Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to termination of our credit facilities, acceleration of all amounts due under such facilities and triggering of cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans.

Our Company has had negative cash flows in the past. Sustained negative cash flow could impact our growth and business.

We have experienced negative cash flows in the past. We recorded negative net cash flow from operating activities of Rs.2,209.3 million for the six months ended September 30, 2016. This was primarily due to changes in our working capital arising from an increase in inventory and accounts receivable and a reduction in accounts payable due to seasonal variations affecting the availability of our raw materials and the demand for our products. For more information, see "— The success of our business is highly dependent on the performance of and factors affecting the Indian and global agricultural sector, including unfavorable climate and weather conditions" and "— Our sales and operations, particularly our agro-processed products, are affected by seasonal and other factors".

Cash flow of a company is a key indicator to show the extent of cash generated from the operations to meet capital expenditures, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may materially and adversely affect our business, financial condition, results of operations and prospects. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources".

Fluctuations in the value of the Indian rupee may adversely affect our business, cash flows, financial condition, profitability and results of operations.

Approximately 46.5% of our total revenue in fiscal year 2016 was denominated in currencies other than Indian rupees such as the U.S. dollar, the British pound and the Euro. Since a substantial portion of our costs, including electricity costs and personnel expenses, are incurred in Indian rupees, to the extent that our cost exposure in foreign currencies is not balanced by revenues from operations in foreign currencies, or to the extent there is a timing difference between costs and revenues in any particular currencies, we may experience foreign exchange losses which may materially and adversely affect our profitability. In addition, appreciation of the Indian rupee against other currencies would make imported products more attractive to our Indian customers and make products produced outside of India more attractive to our international customers. Conversely, depreciation in the Indian rupee against other currencies may increase the cost of servicing and repaying our debts that are denominated in foreign currencies, and increase the Indian rupee value of such debt in our financial statements. As a result, such fluctuations in the value of the Indian rupee against other currencies may have a material adverse effect on our business, cash flows, financial condition, profitability and results of operations. As we have operations around the world, we may experience similar currency risks when one of our foreign subsidiaries transacts business in a currency other than their reporting currency.

We use forward contracts and swap contracts primarily to partially hedge our foreign currency borrowings and export receivables. Nevertheless, we do not hedge against all of our foreign exchange risks and so a weakening of the Indian rupee against the U.S. dollar and other major foreign currencies may have an adverse effect on our cost of borrowing and consequently may increase the cost of financing our capital expenditures. Further, strengthening of the Indian rupee against foreign currencies may have an adverse effect on exports. Similar situations could also exist in the overseas jurisdictions in which we operate. Therefore, we cannot assure you that we will be able to limit all of our exposure to exchange rate fluctuations that could affect our financial results. Failure to hedge effectively against currency fluctuations may materially and adversely affect our results of operations and financial condition.

The success of our business is highly dependent on the performance of and factors affecting the Indian and global agricultural sector, including unfavorable climate and weather conditions.

The agriculture industry is seasonal and cyclical in nature and our customers are subject to unfavorable climate and weather conditions, including low or excessive rainfall, untimely rainfalls, frost or natural disasters. Our results of operations are significantly affected by weather conditions in the regions in which our products are used. Poor or unusual weather conditions, particularly during the planting and early growing season, can significantly affect the purchasing decisions of our customers. The timing and quantity of rainfall are two of the most important factors in agricultural production and impact our customers' willingness to invest in our products. For example, our sales of MIS products and PVC pipes and fittings in India are generally higher during the dry seasons, which typically occur during the third and fourth quarters of the fiscal year, and are generally lower during the wet seasons in India, which typically occur during the first and second quarters of the fiscal year. Insufficient levels of rain could result in a short-term increase in demand for our products but over the longer term could prevent farmers from planting new crops and may cause growing crops to die or result in lower yields which could adversely impact farmers' ability to fund investments in our products. Delayed monsoons or flooding can also prevent planting from occurring at optimal times, and may cause crop loss which in turn could adversely affect farmers' ability to invest in our products. Natural calamities such as regional floods, hurricanes, or other storms and droughts can have significant negative effects on agricultural production which in turn may adversely affect the demand for our products. Furthermore, unfavorable climate and weather conditions, such as the El Niño phenomenon, have in the past had, and may in the future have, an adverse effect on the supply of, and prices for certain of our raw materials. In addition, other factors which have a negative effect on the Indian and global agricultural sector, such as pestilence, competition, withdrawal or reduction of government subsidies, incentives or policies designed to assist the industry and general macroeconomic factors, could have an adverse effect on sales of our hi-tech agri input products, plastic products and agro-processed products. If any of these risks were to materialize, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

There can be no assurance that a poor year in one of our key regions will be offset by better conditions in other regions. For instance, we generate a substantial portion of our sales of MIS products in Western and Southern India. For fiscal year 2016, sales of MIS products in Western and Southern India accounted for approximately 49.0% of our total sales of MIS products. Drought or drought-like conditions which occurred in fiscal year 2016 in these regions have adversely affected our sales of MIS products and piping systems. Adverse conditions in multiple markets in the same year could have a material adverse effect on our results of operations and financial condition.

Climate change, and/or the related legal, regulatory or market measures to address climate change, may negatively affect our business and operations.

There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on agricultural productivity, there may be a decrease in production of our key raw materials for the manufacture of agro-processed products, which would affect our business. Climate change may also negatively affect the productivity of the end users of our hi-tech agri input products and plastic products. For example, unseasonal rains and hailstorms which occurred in and around Maharashtra during the fourth quarter of fiscal year 2015 have adversely affected our sales of MIS products. In addition, global warming and other changes in climate make it more difficult for us to rely on weather forecasts and our operations are relatively unpredictable and may be different than our projections.

The increasing concern over climate change also may result in more regional, domestic and/or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases. In the event that such regulation is enacted and is more aggressive than the sustainability measures that we are currently undertaking to monitor our waste emissions, prices of our raw materials may increase. This would likely lead to higher prices for our products, which may cause a decrease in the demand for such products. As a result, climate change and related regulations could negatively affect our business, cash flows, financial condition, results of operations and prospects.

Capacity constraints may limit our future growth.

Our future success will depend on our ability to increase our capacity and manage growth. For products other than MIS products, we generally operate our manufacturing facilities at or near maximum capacity during our peak production season just prior to the sowing season. In addition, we generally operate our PVC pipes and fittings manufacturing facilities at full capacity which has caused us to be unable to meet the quantity demanded by some of our customers for such products at the times when demand is at peak levels. We have also on certain occasions operated our manufacturing facilities to manufacture certain specialized drippers at full capacity which has caused us to be unable to meet the quantity demanded by some of our customers for such products. Our peak manufacturing season for (i) our manufacturing of PVC pipes and fittings generally occurs during the end and beginning of the fiscal year, (ii) our manufacturing of dehydrated onion and vegetable products generally occurs during the end and beginning of the fiscal year and (iii) our manufacturing of processed fruit products generally occurs during the first half of the fiscal year. If we are unable to increase our capacity to meet the quantity demanded by our customers, our business, cash flows, financial condition, results of operations and prospects may be materially and adversely affected.

We may be unable to complete our expansion plans as planned.

We plan to expand various parts of our operations, including through commencing the production of new products such as spices, expansion of our processed fruit and vegetable retail products offering and the development of advanced drippers, sprinklers, large diameter piping systems and advanced irrigation solutions. Such expansion will require significant additional capital expenditures over a period of time. Our actual capital expenditures may be significantly higher or lower than these planned amounts due to various factors, including, among others, changes in macroeconomic conditions, unplanned cost overruns, our ability to generate sufficient cash flows from operations, advancement in technology and our ability to obtain adequate external financing for these planned capital expenditures.

Our expansion plans involve various risks that may delay or prevent the successful completion or operation of our manufacturing facilities or significantly increase our costs of operations. Risks associated with the expansion include, but are not limited to, the following:

- we may not be able to complete our expansion plan on time or within budget and our expanded operations may prove unprofitable;
- we may not be able to fully integrate necessary internal controls, processes and technology to cope with our expansion;
- delays in completion and commencement of commercial operations could increase the financing costs associated with the expansion plan and could cause us to exceed our budgeted capital expenditure;
- we may experience technical problems with our expansion projects;
- our expanded manufacturing facilities may not operate at predicted capacity, may cost more to operate than we expect and may experience production or operations problems;
- the diversion of management's attention from other on-going business concerns; and
- we may not be able to obtain skilled staff required to operate or sell products produced by new production equipment purchased to increase capacity or expand the scope of our operational and financial systems to handle the increased complexity of our operations.

The completion of our expansion plans may also be impeded by various potential events, such as shortages or increases in prices of equipment or materials, defects in design or construction, natural disasters, accidents and other unforeseen circumstances and problems, variations to the scope of work or specifications that we may require or other variations that may be claimed by the contractor, or the unavailability of financing at acceptable terms or at all. Any of these events may cause delays in completing all or part of these projects and increases in related costs, which could limit our growth. Any one or more of the above factors could materially and adversely affect our business, cash flows, financial condition, results of operations and prospects. Further, if we cannot successfully execute our expansion plans, we may not be able to meet existing or increased customer demand which may adversely affect our business, cash flows, financial condition, results of operations and prospects.

In addition, if we are unable to incorporate the latest or most cost efficient technology available for our existing or any new manufacturing plants, we may suffer a loss of competitiveness.

We may not be able to sell the additional production that we produce following the completion of our expansion projects on commercially acceptable terms.

We intend to sell our additional production that we produce to both existing and new customers. We cannot assure you that sufficient demand for our additional production will exist in either the domestic or export markets or, if sufficient demand does exist, that we will be able to sell our products at prices that will provide us with commercially acceptable margins or that will not cause us to incur losses. Our sales may also be adversely impacted if we fail to accurately estimate demand for our products. If we are unable to sell our additional production on commercially acceptable terms, we may have to decrease the utilization of our manufacturing facilities, which would have a material adverse effect on our business, cash flows, financial condition, results of operations and prospects.

Failure to successfully identify and complete acquisitions or manage the integration of the businesses, technologies and products we acquire may cause our operations and profitability to suffer.

As part of our growth strategy, we evaluate new acquisition opportunities. Acquisitions may require significant investments that may not result in favorable returns. Acquisitions involve risks, including:

- unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or acquisition is finalized;
- the integration and management of businesses, products, technologies or personnel that may incur a significant expenditure of operating, financial and management resources;
- the retention of select personnel;
- the co-ordination of sales and marketing efforts;
- the diversion of management's attention from other on-going business concerns; and
- write-offs of investments.

If we are unable to integrate the operations of an acquired business successfully or manage such future acquisitions profitably, our growth plans may not be met and our cash generation and profitability may decline.

We depend on certain key raw materials including raw materials derived from petroleum. Consequently, our business, financial condition and results of operations may be adversely affected by increases in the prices or unavailability of these raw materials.

We are dependent on the continued supply of raw materials for our manufacturing operations, the availability and costs of which can be subject to significant variation due to factors outside our control. The principal raw materials for the manufacture of our MIS products and piping systems are polymers and resins (primarily comprising PVC and PE), master batches and chemicals. These raw materials are commodities whose prices are determined by international and Indian markets. We currently purchase polymers and resins from Indian as well as international sources on a spot basis. Our largest supplier of PVC in India accounted for 70.7% of our total purchases of PVC in India while our three largest suppliers of PVC in India accounted for 85.2%

of our total purchases of PVC in India for fiscal year 2016, respectively. Our largest supplier of PE in India accounted for 34.1% of our total purchases of PE in India while our three largest suppliers of PE in India accounted for 69.8% of our total purchases of PE in India for fiscal year 2016, respectively.

We do not have any long-term supply contracts for the supply of polymers and resins. We are consequently exposed to the failure of, or cancellation by, our suppliers of the delivery of our raw materials. If we are unable to purchase an adequate supply of such raw materials at reasonable prices and on a timely basis, or at all, we may suffer loss of sales and/or customers or a decrease in our profitability.

In addition, the price of polymers and resins generally depends on capacities, supply and demand conditions in the polymer and resin markets which in turn are affected by increases or decreases in the cost of petroleum, from which polymers and resins are typically produced. A significant increase in petroleum prices could result in a significant increase in the price of polymers and resins and could adversely affect our results of operations.

Increases in the costs of diesel fuel and other petroleum-based fuel products also affect the transportation costs of raw materials to our manufacturing facilities and delivery of our products to our customers (particularly to our overseas customers). Increases in the price of our raw materials would increase our production costs and cause a material adverse effect on our business, cash flows, financial condition and results of operations.

Further, our inventory of raw materials are subject to price fluctuations which in turn are subject to external market conditions that are beyond our control. Any such fluctuation may cause a material adverse effect on our business, cash flows, financial condition and results of operations.

We face significant competition in the markets in which we operate.

We face significant competition in the markets in which we operate and have numerous competitors including large-scale businesses as well as small scale unincorporated businesses. For example, there are a number of small local manufacturers in India who sell MIS products at lower prices. As our PVC pipes and fittings are commodity products, competition in this market is based primarily on price and to a lesser extent on performance, product quality and customer service. Further, many of our markets have low barriers to entry. Further, competition from new entrants could cause the prices for our products to be depressed.

In addition, our market position depends on effective marketing initiatives and distribution channels and our ability to anticipate and respond to various competitive factors affecting the industries in which we operate, including new products which include new features, pricing strategies of our competitors, changes in consumer preferences and general economic, political and social conditions in the countries in which we operate. Competition could increase our costs to purchase raw materials, decrease the selling prices of our products or reduce our market share, which may result in lower and more inefficient operating rates. Our competitors may have greater resources than us or they may benefit from government-sponsored programs that may not be available to us that subsidize their production costs or provide them with a marketing or other advantage. Any failure by us to compete effectively, including in terms of pricing of products, could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We may not be able to pass on increases in our cost of operations to our customers.

Pricing in our markets may be unpredictable and is linked to the prices of our raw materials. We may not be able to pass increases in our cost of operations, such as increases in raw material prices, to our customers.

We may experience a decrease in our profitability due to timing differences in the fluctuations of the prices of our raw materials, which generally change weekly, and the contracted prices of our products, which are generally negotiated monthly, quarterly or for longer periods. Increases in the prices of our products generally tend to lag behind any increases in raw material costs. For example, increases in onion prices caused a decrease in our margins for dehydrated onion and vegetable products during fiscal years 2014 and 2015.

In addition, when raw material costs decrease, our customers typically demand a corresponding decrease in our product prices. Our efforts to maintain or increase our profitability by reducing costs through improving production efficiency, focusing our production on high margin products and controlling selling and administration expenses may not be sufficient to offset the effect of declining product prices on our operating results. An increase in the price of our products may lead to reduced demand. In addition, our competitors could cause a reduction in the prices for some of our products as a result of intensified price competition. If any of these risks were to materialize, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We are subject to different tax regulations, customs laws, international trade laws, export control laws, antitrust laws, zoning and occupancy, health and safety and labor and employment laws that could require us to modify our current business practices and incur increased costs.

We are subject to numerous regulations, including customs and international trade laws, export/import control laws, and associated regulations. These laws and regulations limit the countries in which we can do business, the persons or entities with whom we can do business, the products which we can buy or sell, and the terms under which we can do business, including exposure to anti-dumping restrictions and investigations. In addition, we are subject to antitrust laws, zoning and occupancy laws that regulate manufacturers generally and govern the importation, promotion and sale of our products, the operation of factories and warehouse facilities and our relationship with our customers, suppliers and competitors. We are also subject to health and safety laws that regulate the working conditions of our employees and the handling of hazardous materials. If any of these laws or regulations were to change or were violated by our management, employees, suppliers, buying agents or trading companies, the costs of certain goods could increase, we could experience delays in shipments of our goods, be subject to fines or penalties, or suffer reputational harm, all of which could reduce demand for our products and hurt our business and negatively impact our results of operations.

For instance, Government authorities in India regulate the establishment and operation of manufacturing entities and have various laws regarding employees. Additionally, we operate through subcontractors who may not be in compliance of applicable laws and regulations at all times and we are unable to control the operations of these entities. Under Indian law, we may be liable for the non-compliance of our subcontractors in our capacity as contractor. In addition, regulations applicable to existing and future manufacturing facilities may change and we may not immediately be aware of the changes or be in compliance at all times.

In addition, changes in statutory minimum wage laws and other laws relating to employee benefits could cause us to incur additional wage and benefits costs, which could negatively impact our profitability. We exercise significant judgment in calculating our worldwide provision for income taxes and other tax liabilities, and we believe our tax estimates are reasonable. Despite the advice we receive, there is no assurance that such tax estimates will be correct. We may be subject to audits by tax authorities in the future and the tax authorities may disagree with our tax treatment of certain material items, including past or future acquisitions and/or dispositions, and thereby require us to recalculate and potentially increase our tax liability. In addition, changes in existing laws may also increase our effective tax rate. A substantial increase in our tax burden could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Legal requirements frequently change and are subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effects on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

The Government of India has recently implemented certain currency demonetization measures, which may adversely affect the Indian economy and our business and results of operations.

Pursuant to notifications dated November 8, 2016 issued by each of the Ministry of Finance of the Government of India and the Reserve Bank of India, currency notes in denominations of Rs.1,000 and Rs.500 ceased to be legal tender with effect from such date. Consequently, these demonetized currency notes can no longer be used for transactions with effect from November 9, 2016. Persons holding such demonetized currency notes are required to deposit these with bank branches and post offices or use them for certain specified activities until a date to be notified by the Government of India. Limits have also been imposed on the exchange or withdrawal of valid currency notes from bank accounts and ATMs for a specified period of time.

While new currency notes in denominations of Rs.2,000 and Rs.500 have been introduced, the immediate impact of these measures has been a decrease in cash liquidity among the public in India. A decrease in cash liquidity is likely to cause a short term reduction in consumption of certain goods and services and may cause an adverse impact on India's economic growth in the near term. In addition, our dealers and other customers may experience a decrease in cash liquidity which may cause them to lack the cash needed to make payments for the purchase of our products, which may materially and adversely affect the demand for our products. If any of these risks were to materialize, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Land title in India is uncertain and there is no absolute assurance of clean title.

There is no central title registry for real property in India and the method of documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and are updated manually through physical records of all land related documents and may not be available online for inspection or updated in a timely manner. This could result in investigations into property records taking a significant amount of time or being inaccurate in certain respects, which may impact the ability to rely on them. Land records are often handwritten, in local languages and not legible, which makes it difficult to ascertain the content. In addition, land records are often in poor condition and are at times untraceable, which materially impedes the title investigation process. In certain instances, there may be a discrepancy between the extent of the areas stated in the land records and the areas stated in the title deeds, and the actual physical area of some of lands on which our manufacturing facilities or other buildings are constructed. Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of, can affect the title to a property. As a result, potential disputes or claims over title to the land we use for operations may arise.

While we carry out due diligence before acquiring land, all risks, onerous obligations and liabilities associated with the land may not be fully assessed or identified, which could include, *inter alia*, the nature of faulty or disputed title, unregistered encumbrances or adverse possession rights. It may also impede the transfer of title and expose us to legal disputes and/or financial liabilities and affect our business and operations.

Our operations and prospects may be adversely affected by the performance or the lack of growth in the operations of SAFL.

We have a 49.0% interest in SAFL, a non-banking financial company which focuses on providing financing solutions to Indian farmers. Part of our strategy is to coordinate with SAFL to extend such loans to farmers so that they can purchase our products. If SAFL is unable to extend such loans to farmers or fails to expand its operations at the rate at which we currently anticipate, we may not achieve the returns that we expect from our investment in SAFL. In addition, we have provided a corporate guarantee with respect to the indebtedness of SAFL in the amount of Rs.640 million for which we may be liable should SAFL becomes unable to fulfil its commitments and/or obligations to its lenders. If any of these risks were to materialize, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We depend on certain key dealers and customers in our MIS products and piping systems businesses, and our business and financial conditions may be adversely affected if we are unable to retain these dealers or customers or keep our dealers sufficiently incentivized.

We had 6,527 dealers in India for our hi-tech agro input products and plastic products as of September 30, 2016. We rely to a significant extent on our relationships with such dealers who are critical in enhancing customer awareness of our products and maintaining our brand name. In addition, such dealers are primarily located in rural areas and constitute our primary contacts with our end customers. However, we do not have any long-term contracts with any of our dealers. Further, our dealers may fail to adhere to the standards that we set with respect to sales and after sales services, sell outside designated areas, violate distribution rights of other dealers, fail to adequately promote our products or violate relevant laws and regulations, which in turn could adversely affect our end customers' perception of our brand and products. In addition, we provide our dealers with incentives to sell our products by way of discounts. If our competitors provide better incentives, such dealers may be persuaded to leave us and join our competitors. In addition, we generally sell our products to our dealers on credit which exposes us to the financial condition of our dealers and deterioration in economic conditions generally. This may increase the risk of insolvencies of our dealers. In fiscal year 2016, sales to dealers in India accounted for 40.9% of our total sales of MIS products and 53.3% of our total sales of piping systems.

We derive a substantial portion of our sales of agro-processed products from Hindustan Coca-Cola, a subsidiary of The Coca-Cola Company in India, which purchases processed fruit pulps, purees and concentrates from us. For example, our sales to Hindustan Coca-Cola accounted for 12.4% of our total sales of agro-processed products for fiscal year 2016. In addition, we typically generate a substantial portion of our sales of PE pipes and fittings from a small number of corporate customers in India to whom we provide turnkey services for major projects. For example, our sales to our five largest PE pipes and fittings customers in India accounted for 43.2% of our total sales of PE pipes and fittings for fiscal year 2016.

We cannot assure you that we will be able to retain our dealers or other customers. Since many of our key customers are large multinational companies, we may suffer reputational harm or have difficulties in complying with the terms of our contracts due to our sales in Iran, Cuba, Lebanon and other countries subject to international sanctions. In fiscal year 2016, our 10 largest customers accounted for approximately 15% of our total revenue. The inability or unwillingness of one or more of our key dealers or customers to continue their business relationships with us, any deterioration in our relationship with or the insolvency of, or any default in payment by, any of them (particularly during our peak sales seasons when our accounts receivable are high) would significantly disrupt our business and have a material adverse impact on our business, cash flows, financial condition and results of operations.

We have operations in countries subject to sanctions and sales to certain entities in or related to several countries subject to various sanctions.

We have made sales to certain entities in or related to Iran, Cuba and Lebanon which in the aggregate were less than 2% of our total revenue in each of fiscal years 2014, 2015 and 2016 and the six months ended September 30, 2016. We believe that our entities and employees responsible for these operations and sales are not the target of any economic sanctions, and our operations with respect to these countries comply with all applicable sanctions laws, including the avoidance of dealings with persons and entities that are the target of economic sanctions. Non-compliance with sanctions laws could result in, among other things, significant fines, negative publicity and reputational damage, debarment from the ability to contract with governments or agencies and limitation on our ability to raise funding from international financial institutions or the international capital markets. We cannot assure you that we would remain compliant with sanctions laws. Furthermore, there can be no assurance that other persons and entities with whom we now, or in the future may, engage in transactions will not become the target of economic sanctions.

Various countries may impose import restrictions, such as import quotas, tariffs, anti-dumping protections or other trade restriction, on our products which may have a material adverse impact on our results of operations.

Various countries from time to time may impose import restrictions such as import quotas, tariffs, anti-dumping protections or other trade restriction, on our products which may have a material adverse impact on our results of operations.

If any of our export markets were to impose import restrictions such as import quotas, tariffs, anti-dumping protections or any other forms of trade restrictions such as annual growth limits on imports, technical regulations and standards on imports and environmental protections requirements on our products, such products may become uneconomical to be imported into such export market or be less appealing for consumers of such market.

In addition, government policies and regulations relating to trade, in particular the agricultural sector and related industries, may adversely affect the supply of, demand for, and prices of our products, restrict our ability to do business in our existing and target markets, and could adversely impact our business, cash flows, financial condition and results of operations. For fiscal year 2016, export sales from India accounted for approximately 5.5% of our total revenue. Any Indian export prohibitions relating to agriculture could negatively affect our ability to export our products from India.

If any of these risks were to materialize, our export sales will be adversely affected, which could have a material adverse impact on our business, cash flow, financial condition, results of operations and prospects.

We depend on our key management and sales personnel and the failure to retain such personnel may adversely affect our business.

Our success and growth depends on our ability to identify, attract, hire, train and retain suitably skilled and qualified employees, including key management and sales personnel with the requisite industry expertise. In particular, we employ agronomists to support our dealers and we may not be able to retain these skilled workers or attract new skilled workers. The loss of our senior management or key employees could have a material adverse effect on our business if we are unable to recruit suitable replacements in a timely manner. Integrating new executives into our management team and training new employees with no prior experience in the industry in which we operate could prove disruptive to our operations, require a disproportionate amount of resources and management attention and may ultimately prove unsuccessful. Additionally, if our agronomists or our dealers left us to work for our competitors, this could adversely impact our ability to market our products. Competition for such personnel is high and any failure to recruit and retain the necessary personnel or the loss of a significant number of employees at any time could materially and adversely affect our business, cash flows, financial condition and results of operations.

Significant differences exist between Indian GAAP, Ind AS and other accounting principles such as IFRS which may be material to investors' assessments of our financial condition.

The Audited Financial Statements included in this Offering Memorandum were prepared and presented in conformity with Indian GAAP, and no attempt has been made to reconcile the Audited Financial Statements to any other principles or to base it on any other standards. The Unaudited Financial Statements included in this Offering Memorandum were prepared and presented in conformity with Ind AS, and no attempt has been made to reconcile the Unaudited Financial Statements to any other principles or to base it on any other standards. Indian GAAP and Ind AS differ from accounting principles in other countries with which prospective investors may be familiar, such as IFRS. We have not quantified such differences which may be significant. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS and a quantification of the differences may reveal a material adverse effect on the amount of income recognized during the period and in the corresponding period in the comparative fiscal year/period.

Our results for the six months ended September 30, 2015 and 2016 may not be indicative of the results we may record for fiscal years 2016 and 2017.

Our Unaudited Financial Statements may require adjustments before constituting the final financial statements under Ind AS as of and for the years ended March 31, 2016 and 2017 due to changes in financial reporting requirements which may arise from new or revised standards or interpretations issued by the Ministry of Corporate Affairs, changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS provisions as permitted under Ind AS 101 or other changes or interpretation. As a result, our results for the six months ended September 30, 2015 and 2016 should not be considered indicative of the results we may record for fiscal years 2016 and 2017.

The Consolidated Financial Statements may not be comparable.

The Audited Financial Statements included elsewhere in this Offering Memorandum have each been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. The Unaudited Financial Statements included elsewhere in this Offering Memorandum have each been prepared in accordance with Ind AS and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. As a result, the Audited Financial Statements and the Unaudited Financial Statements may not be comparable.

Indian GAAP and Ind AS differ in certain material respects. Among others, the transition to Ind AS from Indian GAAP has required us to reconstitute our business segments. See "Summary of Certain Principal Differences Between Indian GAAP and Ind AS". As a result, segment information provided in the Audited Financial Statements and the Unaudited Financial Statements, including discussions relating to such segments under "Management's Discussion and Analysis of Financial Condition and Results of Operations", are not comparable.

We cannot assure you that our intellectual property rights will be protected from use by our competitors or that we will not infringe on the intellectual property rights of others.

Our products are subject to intellectual property infringements. We may be unable to prevent third parties from copying our products. We will also incur expenses in order to pursue legal actions against such competitors in order to protect our intellectual property rights and educate our customers regarding such copied products in order to protect our brand and reputation.

In addition, we may infringe on the intellectual property rights of others if the registration of such intellectual property rights are pending or incomplete. We have also been subject in the past to claims from third parties asserting infringement and other related claims and are susceptible to such claims in the future. In addition, such claims could materially and adversely affect our business and prospects, relationships with current or future customers, result in costly litigation, cause product shipment delays or stoppages, divert management's attention and resources, subject us to significant liabilities, require us to enter into royalty or licensing agreements and require us to cease certain activities. Further, any adverse judgment against us arising out of any intellectual property dispute could subject us to significant liability for damages, prevent us from using technologies or developing our products, or require us to negotiate and pay substantial licenses fees and royalties from third parties for the use of any disputed intellectual property rights. Furthermore, necessary licenses for the use of disputed technology may not be available to us on satisfactory terms or at all. If any of these risks were to materialize, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We are subject to stringent quality requirements in our business which we may not be able to meet. Failure to meet these requirements could lead to product returns, product losses, breaches of relevant laws, customer dissatisfaction, damage to our reputation, reduced demand for our products and liability under applicable product liability laws, which could adversely affect our business and results of operations.

Our business involves an inherent risk of product liability, product recall, adverse publicity and exposure to public liability claims. In addition, we may be required to bear substantial expenses to fulfil obligations under the warranties that we provide to our customers in the case of any defects in our products. Such an event would be likely to have an adverse effect upon our business, cash flows, financial condition, results of operations and prospects.

Selling food products involves a number of reputational, regulatory, legal and other risks regarding food safety. The quality of our agro-processed products may be adversely affected by various factors including the quality of the raw materials that we use, any failure of our laboratory testing facilities, the introduction of foreign organisms or matters into our products or the contamination of allergens. We may need to recall some of our products if they were to become contaminated, adulterated or misbranded, or if they are tampered with. Any contamination may require us to expend significant costs for the cleaning of our manufacturing facilities or remediating contaminated products. We may also be liable if the consumption of any of our products were to cause injury, illness or death. A widespread product recall or market withdrawal could also result in significant losses due to the cost of conducting a recall, including the destruction of product inventory, and loss of sales due to unavailability of the affected product for a period of time. Food safety defects, including product contamination, spoilage, product tampering or other adulteration, regardless of whether they actually occur or are merely rumored and regardless of whether they implicate our own products or those of our competitors, could have a negative impact on our business not only because of any resulting product liability claims but also due to adverse publicity, damage to our reputation and loss of consumer confidence in our agro-processed products.

In addition, we face the risk of losses resulting from, and the adverse publicity associated with, product liability lawsuits, especially in the United States, a market noted for its litigious nature and high awards of damages, and other developed markets, whether or not such claims are valid. Even unsuccessful product liability claims would likely require us to expend financial resources on litigation, divert management's time, adversely affect our goodwill and reputation and impair the marketability of our products. The liability which could result from certain of these risks may not be covered by or could exceed the coverage of the liability insurance related to product liability and food safety matters maintained by us. Further, we may not have such insurance coverage in the countries to which we export our products. If any of these risks were to materialize, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Damage to our reputation could result in an erosion of confidence in our products leading to decreasing sales which could have an adverse effect upon our business.

The quality of our products is of utmost importance to our business. A drop in customer or dealer confidence in the integrity of these products could undermine confidence in our business as a whole and affect the size of our customer base and financial results. The appeal and availability of these products, quality and price architecture all have an impact on the popular perception of our Company. It is commercially imperative for us to maintain quality products in order to attract and retain our customers and to ensure strong partnership with our dealers. If we do not fulfil the high expectations of our customers and dealers, we risk damage to our reputation, which could lead to an erosion in confidence in our products and a resulting decline in our customer base. This could adversely affect our business, cash flows, financial condition, results of operations and prospects.

Our retail strategy for agro-processed products is subject to risks relating to customer preference, advertising and promotion and our ability to establish and maintain relationships with distributors and retailers.

As part of our strategy, we intend to expand our retail product portfolio of agro-processed products. We cannot assure you that we will be successful in executing such strategy. Consumer preferences for food products change continually. Our success depends on our ability to predict, identify and interpret the tastes and dietary habits of consumers and to offer products that appeal to those preferences. If we do not succeed in offering products that appeal to consumers, our sales, market share and profitability could be adversely affected. We must be able to distinguish between short-term fads, mid-term trends and long-term changes in consumer preferences. If we are unable to accurately predict which shifts in consumer preferences are long-term, or if we fail to introduce new and improved products to satisfy those preferences, or if we fail to satisfy consumer preferences as well as our competitors, our business, operations and growth potential may be adversely affected. If we fail to expand our product offerings successfully, to rapidly develop products in faster growing and more profitable categories, or to execute our marketing strategy successfully, our business, operations and growth potential may be adversely affected.

We may need to increase spending on advertising and promotion to develop our retail business and increase our market share. The success of our investments in advertising and promotion is subject to risks, including uncertainties about consumer acceptance. As a result, we may not be able to enhance market share even with increased expenditures, which could result in lower profitability. Also, if we are not able to maintain or improve our brand image or value proposition, it could have a material effect on our market share and our profitability.

In addition, the success of our retail strategy depends on our ability to reach end customers through distributors and retailers. We cannot assure you that we will be able to establish or maintain such relationships on terms which are acceptable to our Company. If we are not able to establish or maintain relationships with such distributors and retailers on terms which are acceptable to our Company, we will not be able to market our retail agro-processed products, which could materially adversely affect our business, operations and growth potential.

We are involved in legal proceedings from time to time that, if determined against us, could adversely impact our business and financial condition.

We are involved in legal proceedings from time to time and claims in certain of the countries where we conduct our business. See "Business — Legal Proceedings". These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as changes in applicable law of the jurisdictions relevant to us, or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. Further, we cannot assure you that any legal proceedings will be decided in our favor and our financial liability may be enhanced in the event any court, tribunal or authority passes an adverse order against us. Any such adverse decision may have a significant adverse effect on our business, cash flows, financial condition and results of operations.

Our electricity supply may not be reliable and we may be adversely affected by increasing power costs.

We operate some of our largest plants in Maharashtra, although we also have manufacturing facilities in Andhra Pradesh, Gujarat and Tamil Nadu, as well as in other locations globally. Most of the power requirements of our manufacturing facilities in Maharashtra are met through the State Electricity Boards ("SEBs"), and there may be power cuts in the supply provided by the SEBs from time to time. In addition, although we also purchase electricity from independent power producers in India, we require SEBs' consents and access to Government distribution and transmission network to receive power at our manufacturing facilities. We cannot assure you that such consent or access will be forthcoming in a manner acceptable to us or at all. In addition, the flow of electricity through such network is dependent on the cooperation of the Government and the quality of such network.

In addition, we cannot assure you that the capacity of our stand by diesel generators will be sufficient to allow us to maintain our operations, particularly if power outages occur frequently or for extended periods of time. If we are required to use our stand by diesel generators, our power costs would increase.

In addition, electricity tariffs charged by SEBs have recently been increasing. If the cost per unit of electricity is increased by the SEBs our power costs will increase. Similarly, if fuel costs increase, the costs to produce electricity using our diesel generators will increase correspondingly. It may not be possible to pass on any increases in power costs to our customers and if any of these risks were to materialize, it may adversely affect our results of operations. If the supply of electricity were interrupted or limited, we could be required to suspend or reduce our production, which would materially and adversely affect our business, cash flows, financial condition and results of operations, particularly if it occurred during a peak processing period. In addition, any interruption of power could give rise to inefficiencies when we resume production. We are not entitled to be reimbursed under any of our insurance policies for any losses incurred as a result of electricity interruptions or limitations.

Our insurance coverage may be inadequate to fully protect us from all losses.

While we believe that we maintain insurance coverage in amounts which conform to industry norms in India and overseas, we are not fully insured against all potential hazards to our business. If any or all of our manufacturing facilities were to be damaged and our operations are interrupted for a sustained period, there can be no assurance that our insurance policies would be adequate to cover any or all of our potential losses.

Our other policies, such as our product liability insurance, may not be sufficient to protect us from all losses. Our insurance policies generally do not cover acts of terrorism and, in the event of a terrorist attack, our manufacturing facilities could be damaged or destroyed which may cause us to curtail or cease operations. In the event of a terrorist attack, explosion or other accident impacting one or more of our manufacturing facilities, we could lose the total revenue from the manufacturing facilities and the manufacturing facilities themselves. We carry limited business interruption insurance which may not be adequate to cover any or all of our potential losses arising from any business interruption.

A serious uninsured loss or a loss significantly exceeding the limits of our insurance policies could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We are exposed to business interruptions, which could materially and adversely affect our business, reputation and results of operations.

As of September 30, 2016, we had approximately 10,695 employees, comprising approximately 9,449 employees in India and 1,246 employees outside of India. Except for approximately 70 of our employees at our manufacturing facilities in Chittoor and approximately 90 of our employees at our manufacturing facilities in Israel, none of our employees are unionized. We cannot guarantee that our other employees will not unionize or that we will not experience any strike, work stoppage or other industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other benefits or otherwise have a material adverse effect on our business, cash flows, financial condition and results of operations.

We are subject to the risk of other natural calamities or general disruptions affecting our manufacturing facilities and distribution chain. Any interruption to our operations as a result of any industrial accidents, unanticipated maintenance, natural calamities or otherwise could materially and adversely affect our business, cash flows, financial condition and results of operations. If any of our manufacturing facilities were to be damaged as a result of fire or other natural calamities, it would temporarily reduce our production capacity and adversely affect our business operations. In addition, unanticipated mechanical and electrical failures, which may also require us to shut down our manufacturing facilities for a significant period, could have a material adverse effect on our business, cash flows, financial condition and results of operations. These occurrences could also cause personal injury and loss of life and environmental damage or result in regulatory enforcement proceedings and civil or criminal law suits. Any such events could have a material adverse effect on our business, cash flows, financial conditions and results of operations.

In addition, a substantial portion of our revenues from operations are derived from our production operations located in India, primarily from our manufacturing facilities at Jalgaon in Maharashtra. Significant damage to these manufacturing facilities or offices, whether as a result of accident, fire, flooding, terrorist attacks or other causes, could interrupt our operations and have a material adverse effect on our business, cash flows, financial condition, results of operations and prospects.

We rely on land transportation for the delivery of our raw materials. We also rely on land and water transportation for the delivery of our products to our customers. If our distribution chain is disrupted, which may cause us to be unable to source raw materials or deliver our products in a timely manner, it could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Any such events could have a significant negative effect on our business, cash flows, financial conditions and results of operations. Our insurance coverage for damage to our properties and the disruption of our business due to these events may not be sufficient to cover all of our potential losses. See "— Our insurance coverage may be inadequate to fully protect us from all losses".

Fragmented land holding in India may reduce the long-term demand for MIS products.

The largest market for our MIS products is in India. Land holding in India is more fragmented than in many Western countries. The agriculture industry is characterized by a large number of farmers with small plots of land of five hectares or less. Since small farmers have less access to capital, they may not be able to afford irrigation systems to the same degree as farmers in many countries where land holding is more concentrated. This fragmentation may result in a lower long-term demand for agriculture systems in India than in many Western countries.

We are subject to economic downturns, political instability and other risks of doing business globally, which could adversely affect our operating results.

We conduct business and have substantial assets located in many countries and geographic areas. Our operations are principally in India, but we also operate in, or plan to expand or develop our business in, North America, South America, Europe, the Middle East, and Africa. Developed and emerging markets are subject to economic downturns, which may cause a decreased demand for our products, reduced availability of credit, or declining credit quality of our suppliers, customers, and other counterparties. In addition, different countries could be subject to various geopolitical risks, including more volatile economic, political and market conditions. Economic downturns and volatile conditions may have a negative impact on our operating results and ability to execute our business strategies.

Our operating results could be affected by changes in trade, monetary, fiscal and environmental policies, laws and regulations, and other activities of governments, agencies, and similar organizations. These conditions include but are not limited to changes in a country's or region's economic or political conditions, trade regulations affecting production, pricing and marketing of products, local labor conditions and regulations, reduced protection of intellectual property rights, changes in the regulatory or legal environment, restrictions on currency exchange activities, currency exchange fluctuations, burdensome taxes and tariffs, enforceability of legal agreements and judgments, other trade barriers, and regulation or taxation of greenhouse gases. International risks and uncertainties, including changing social and economic conditions as well as terrorism, political hostilities, and war, could limit our ability to transact business in these markets and could adversely affect our revenues and operating results.

On June 23, 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave ("Brexit"). There is significant uncertainty at this stage as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. A lack of clarity over the process for managing the exit and uncertainties surrounding the economic impact could lead to a further slowdown and instability in financial markets. The exit of individual countries from the European Monetary Union, especially the exit of one of the large economic countries such as Germany, France, Italy or Spain, or a full collapse of the European Monetary Union would have extensive consequences on the financial markets and real economy. It is probable that such a scenario would adversely affect our business, cash flows, financial condition, results of operations and prospects.

Tax authorities could reallocate our taxable income among our subsidiaries, which could increase our consolidated tax liability.

We conduct operations worldwide through subsidiaries in various tax jurisdictions pursuant to transfer pricing arrangements between our subsidiaries. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length terms and that contemporaneous documentation is maintained to support the transfer prices. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arms' length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, resulting in double taxation. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it would increase our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

Lack of transparency, threat of fraud, public sector corruption and other forms of criminal activity involving government officials increase the risk for potential liability under anti-corruption legislation and other anti-bribery laws.

We are subject to anti-bribery laws that prohibit improper payments or offers of improper payments to governments and their officials and political parties for the purpose of obtaining or retaining business or securing an improper advantage, and require the maintenance of internal controls to prevent such payments. There can be no assurance that our employees will not take actions that could expose us to potential liability under applicable anti-bribery laws. In particular, in certain circumstances, we may be held liable for actions taken by our local partners and agents, even though such parties are not always subject to our control. Any determination that we have violated anti-corruption laws (whether directly or through acts of others, intentionally or through inadvertence) could result in penalties, both financial and non-financial, that could have a material adverse effect on our business.

Our information technology systems, processes and sites may suffer interruptions or failures which may affect our ability to conduct our business.

Our information technology systems, provide critical data connectivity, information and services for internal and external users. These interactions include, but are not limited to, ordering and managing materials from suppliers, converting raw materials to finished products, inventory management, shipping products to customers, processing transactions, summarizing and reporting results of operations, complying with regulatory, legal or tax requirements, and other processes necessary to manage the business. If our information technology systems and business continuity plans do not function as expected due to various reasons, including catastrophic events, power outages and security breaches, we may suffer interruptions in our operations, which may materially and adversely affect our business, cash flows, financial condition and results of operations.

Risks Relating to India

Changing laws, rules and regulations and legal uncertainties in India may adversely affect our business and operations.

Our business and operations are governed by various laws and regulations, such as the Companies Act, the Securities and Exchange Board of India Act, 1992, the Foreign Exchange Management Act, 1999, the Factories Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Indian Penal Code, the Prevention of Corruption Act, 1988, the Prevention of Money-laundering Act, 2002, the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2009, tax, environmental and labor laws and other legislations enacted and rules promulgated by the Indian Government and the relevant state Governments in India.

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us. There can be no assurance that the Indian Government or any state Government in India will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on their operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, cash flows, financial condition and results of operations.

A significant change in the Indian Government's economic liberalization and deregulation policies could impact economic conditions in India generally and our business and financial results and prospects in particular.

Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms, including significant relaxations of restrictions on the private sector. Nevertheless, the Indian Government continues to exercise a dominant influence over many aspects of the economy, and its economic policies have had and continue to have a significant effect on private-sector entities, including us.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the Indian Government and the state Governments in the Indian economy and its effect on producers, consumers, service providers and regulators has remained significant over the years. The Indian Government has in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, determined the allocation to businesses of raw materials and foreign exchange, and reversed its policies of economic liberalization. We may not be able to react to such changes promptly or in a cost-effective manner. Increased regulation or changes in existing regulations may require us to change our business policies and practices and may increase the cost of providing services to our customers, which would have an adverse effect on our operations and our financial condition and results of operations.

Although the current Indian Government has continued India's economic liberalization and deregulation programs, there can be no assurances that these liberalization policies will continue in the future. Significant changes in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India in general as well as our business and our future financial performance.

A prolonged slowdown in economic growth or financial instability in India or other countries could cause our business to suffer.

Slowdown in the growth of the economy of India and other countries could adversely affect our business, our lenders and contractual counterparties, especially if such a slowdown were to be prolonged. The growth rate of India's GDP ranged from 9.3% in 2008 to 8.6% in 2010 and was 6.6%, 7.2% and 7.6% during 2013, 2014 and 2015, respectively, according to the World Bank. The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be adversely affected by such economic slowdown. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to the high inflation, the increase in the fiscal deficit and the Indian Government borrowing program. Any continued or future inflation because of increases in prices of commodities such as petroleum or otherwise, may result in a tightening of monetary policy and could have a material adverse effect on our business, cash flows, financial condition and results of operations, thereby affecting our ability to service the Notes. The uncertainty regarding liquidity and interest rates and any increase in interest rates or reduction in liquidity could adversely impact our business. In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Terrorist attacks, civil disturbances and regional conflicts in South Asia may have a material adverse effect on our business.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past.

Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on the Company's business, cash flows, financial condition and results of operations. Such violence may have an adverse impact on the Indian and worldwide financial markets. In addition, any deterioration in international relations may result in investor concern regarding regional stability, which could adversely affect the price of the Notes. India has witnessed localized terrorist attacks recently, including the terrorist attacks in Mumbai in 2008 and 2011, in New Delhi in 2011 and in Pathankot and Uri in 2016. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

Natural calamities and health epidemics could adversely affect the Indian economy.

India has experienced natural calamities, such as earthquakes, floods and drought in the past. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect the Company's business, and may cause damage to the Company's infrastructure and the loss of business continuity and business information. Similarly, global or regional climate change or natural calamities in other countries where the Company operates could affect the economies of those countries.

There have been outbreaks of diseases in the past. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect the Company's business.

Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations and the trading price of the Notes.

As of September 30, 2016, India's sovereign rating was Baa3 with a "positive" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "stable" outlook (Fitch). Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect the Company's ratings, terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on our capital expenditure plans, business and financial performance, and the trading price of the Notes. See "— Risks Relating to the Notes and the Note Guarantee — The rating of the Notes may be lowered or withdrawn depending on some factors, including the rating agency's assessment of our financial strength and Indian sovereign risk".

Investors may not be able to enforce a judgment of a foreign court against the Company, certain of our directors, or our key management, except by way of a suit in India on such judgment.

We are a public limited company incorporated under the laws of India and a number of our subsidiaries are incorporated under the laws of India. In addition, all of our directors and our key management personnel named herein reside in India and all or a substantial portion of the assets of the Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. In India, recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Indian Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards. Further, the execution of the foreign decree under Section 44A of the Civil Code is also subject to the exceptions under Section 13 of the Civil Code.

The United Kingdom, Singapore and Hong Kong (among others) have been declared by the Indian Government to be reciprocating territories for the purposes of Section 44A. However, the United States has not been declared by the Indian Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh proceeding suit instituted in a court of India and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed in India to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would, if an action were brought in India. Further, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such judgment and such amount may be subject to income tax in accordance with applicable laws. Further, any judgment awarding damages in a foreign currency would be converted into Indian rupees on the date of the judgment and not the date of payment. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delay. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

The proposed new taxation system in India could adversely affect the Company's business, prospects, financial condition and results of operations.

The Government has proposed major reforms in Indian tax laws, namely imposition of the goods and services tax ("GST") and provisions relating to the General Anti-Avoidance Rules ("GAAR").

The Government of India has proposed a comprehensive national GST regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. Both Houses of Parliament have approved the Constitutional Amendment Bill for Goods and Services

Tax, which will enable the Government to introduce the GST with effect from April 1, 2017. The GST is intended to replace indirect taxes on goods and services which are currently levied by the Government, such as central excise duty, service tax, central sales tax, state value added taxes, surcharge and excise. Although committed incentives may be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, the Company is unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. These amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. In addition, the implementation and transition to GST may affect the purchase patterns of our dealers and customers in a manner that may be adverse to us.

As regards GAAR, the provisions were introduced in the Finance Act 2012 and will apply (as per the Finance Act 2015) in respect of an assessment year beginning on April 1, 2018. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (a) creates rights, or obligations, which are not normally created between persons dealing at arm's length; (b) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (c) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (d) is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes. If GAAR provisions are invoked, the tax authorities would have wide powers, including denial of tax benefit or a benefit under a tax treaty. In addition, various new tax regimes and initiatives are being proposed in India and internationally known as "Place of Effective Management" that purport to tax income and entities based on the effective place where management of such entity or business is located or deemed to be located, which could result in the same income being taxed in multiple jurisdictions.

As the taxation system is intended to undergo significant changes, the effect of such changes on the financial system cannot be determined at present and there can be no assurance that such effects would not adversely affect the Company's business, prospects, financial condition and results of operations.

Any volatility in the exchange rate and increased intervention by the RBI in the foreign exchange market may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact the Company.

During the first half of 2014, emerging markets, including India, witnessed significant capital outflows due to concerns regarding the withdrawal of quantitative easing in the United States and other domestic structural factors such as high current account deficits and lower growth outlook. As a result, the Indian rupee depreciated by 21.1% from Rs.56.5 per U.S. dollar at the end of May 2013 to Rs.68.4 per U.S. dollar on August 28, 2013. To manage the volatility in the exchange rate, the RBI took several measures including increasing the marginal standing facility rate by 200 basis points and reducing domestic liquidity. The RBI also subsequently announced measures to attract capital flows, particularly targeting the non-resident Indian community. Subsequent to restoring stability in the exchange rate from September 2013 onwards, the RBI reversed some of these measures. In February 2016, the Indian rupee has continued to experience volatility nearing its record low in August 2013, thereby forcing RBI to intervene again. Any increased intervention in the foreign exchange market or other measures by the RBI to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves, reduced liquidity and higher interest rates in the Indian economy, which could adversely affect the Company's business and its future financial performance. Since November 2016, the Indian rupee has depreciated against the U.S. dollar on account of external market conditions.

A decline in India's foreign exchange reserves could affect the liquidity and result in higher interest rates in the Indian economy, which could adversely affect the Company's business, its future financial performance, its results of operations and financial condition.

Our business and activities may be regulated by the Competition Act, 2002 (the "Competition Act") and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, cash flows, financial condition and results of operations.

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the "CCI"). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, limits or controls the production, supply or distribution of goods and services or shares the market by way of geographical area or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished. If we, or any of our employees, are penalized under the Competition Act, our business may be adversely affected.

Certain statistics contained in this Offering Memorandum have been derived from publications not independently verified by us, the Initial Purchasers or our respective advisors.

Certain facts and statistics in this Offering Memorandum relating to our industry are derived from publicly available sources, including (i) a report entitled "Accelerating growth of Indian agriculture: Micro irrigation an efficient solution — Strategy paper — Future prospects of micro irrigation in India" prepared by Grant Thornton in 2016, (ii) the 2015-2016 annual report of the Ministry of Food Processing Industries (ministry of the Government of India), (iii) information from publication of Reliance Industries Limited and (iv) a report entitled "Building Materials: Plastic Pipes Sector Note" prepared by Spark Capital. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, the Initial Purchasers or our respective advisors and therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the jurisdictions specified. Due to possibly flawed or ineffective collection methods and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. In addition, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

Risks Relating to the Notes and the Note Guarantee

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Payments on our indebtedness will require a significant amount of cash. Our ability to meet our cash requirements and service our debt is impacted by many factors that are outside of our control.

Our ability to meet our expenses and make scheduled payments on our existing and anticipated debt obligations depends on our future performance, which may be affected by financial, business, economic and other factors, many of which we cannot control. Our business may not generate sufficient cash flow from operations in the future and our currently anticipated growth in revenue and cash flow may not be realized, either or both of which could result in our being unable to repay indebtedness, including the Notes, or to fund other liquidity needs. If we do not have sufficient cash resources in the future, we may be required to refinance all or part of our then existing debt, sell assets or borrow more money. We might not be able to accomplish any of these alternatives on terms acceptable to us or at all. For instance, financial institutions may not be willing to lend us money due to our credit risk. In addition, the terms of existing or future debt agreements may restrict us from adopting any of these alternatives. Our failure to generate sufficient cash flow or to achieve any of these alternatives could materially adversely affect the value of the Notes and our ability to pay the amounts due under the Notes.

The Issuer's ability to make payment on the Notes and the Parent Guarantor's ability to guarantee the Issuer's obligations on the Notes may be affected by our corporate organization structure.

The Issuer has a limited amount of cash flow to fund payments under the Notes, and will therefore depend on the earnings and the distribution of funds from the Parent Guarantor and our subsidiaries to make such payments. In addition, the Parent Guarantor will rely upon dividends and other payments from its respective subsidiaries to generate the funds necessary to meet its obligations under the Note Guarantee. Each subsidiary of the Issuer and the Parent Guarantor, however, is a separate and distinct legal entity and will have no obligation, contingent or otherwise, to make funds available, whether by dividend, distribution, loan or other payment, to the Issuer or the Parent Guarantor. Some of the agreements of the Issuer's or the Parent Guarantor's subsidiaries have restrictions on making any dividend payments prior to repayment of the facilities in full. In addition, as the Issuer and the Parent Guarantor do not wholly own all of their respective subsidiaries, any distribution on capital stock by any operating subsidiary will also be made to other minority shareholders in proportion to their respective equity ownership. Therefore, a dividend or other distribution on capital stock may not be distributed to the Issuer or the Parent Guarantor in full, which may substantially limit the amount the funds available for the

Issuer to make payments on the Notes or for the Parent Guarantor to fulfill its obligations under the Note Guarantee. In addition, indebtedness of the subsidiaries of the Issuer or the Parent Guarantor and equity interests of the subsidiaries not held by the Issuer or the Parent Guarantor will effectively rank ahead of the Issuer's obligations under the Notes or the Parent Guarantor's guarantee of the Notes. See "Description of Other Indebtedness". In addition, legal constraints, such as restrictions relating to foreign exchange controls, transfer approvals or withholding taxes, a lack of retained earnings or the solvency of our subsidiaries may also limit the amounts that our subsidiaries can provide to the Issuer or the Parent Guarantor. If distributions from our subsidiaries to the Issuer or the Parent Guarantor were eliminated, delayed, reduced or otherwise impaired, the Issuer's ability to make payments on the Notes and Parent Guarantor's ability to fulfill its obligations under the Note Guarantee would be substantially impaired.

Your right to receive payments on the Notes could be adversely affected if any of our subsidiaries declare bankruptcy, liquidate, or reorganize.

None of our subsidiaries will guarantee the Notes. See "Description of the Notes". Accordingly, claims of holders of the Notes will be structurally subordinated to the claims of creditors of our subsidiaries, including trade creditors. All obligations of our subsidiaries to their creditors will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon liquidation or otherwise, to the Issuer or the Parent Guarantor. The Indenture governing the Notes will permit our subsidiaries to incur certain additional debt and will not limit their ability to incur other liabilities that are not considered indebtedness under the Indenture. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us.

Our operations are restricted by the terms of the Notes, which could limit our ability to plan for or to react to market conditions or meet our capital needs, which could increase your credit risk.

The Indenture governing the Notes includes a number of significant restrictive covenants. These covenants restrict, among other things, our ability, and the ability of our restricted subsidiaries, to:

- incur or guarantee additional indebtedness and issue certain disqualified or preferred stock;
- declare dividends on capital stock or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- transfer or sell assets;
- create liens on assets to secure indebtedness;
- enter into sale and leaseback transactions;
- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- merge or consolidate with or into another company.

These covenants could limit our ability to plan for or react to market conditions or to meet our capital needs. Our ability to comply with these covenants may be affected by events beyond our control, and we may have to curtail some of our operations and growth plans to maintain compliance.

If we are unable to comply with the restrictions and covenants in our debt agreements or the Indenture, there could be a default under the terms of these agreements or the Indenture, which could cause repayment of our debt to be accelerated.

If we are unable to comply with the restrictions and covenants in the Indenture or our current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Indenture, contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, or result in a default under our other debt agreements, including the Indenture. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

The Issuer may not be able to repurchase all of the Notes upon a change of control repurchase event.

As described under "Description of the Notes — Repurchase of Notes upon a change of control", the Issuer will be required to offer to repurchase the Notes upon the occurrence of a change of control. We may not have sufficient funds to allow the Issuer to repurchase the Notes in cash at such time or have the ability to arrange the necessary financing on acceptable terms. In addition, the Issuer's ability to repurchase the Notes for cash may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time.

Your right to receive payments on the Note Guarantee is junior to certain tax and other liabilities preferred by law.

The Note Guarantee will be subordinated to certain liabilities preferred by law, such as claims of the Indian Government on account of taxes and certain liabilities incurred in the ordinary course of the Parent Guarantor's business (including workmen's dues), will rank *pari passu* with the Parent Guarantor's other existing and future unsecured obligations, will rank junior to the Parent Guarantor's secured obligations and will be effectively subordinated to the obligations of the Parent Guarantor's subsidiaries. Indian laws relating to the Note Guarantee and to the enforcement thereof may differ, in some cases significantly, from the laws in other jurisdictions. Upon an order for a company's winding-up in India, its assets are vested in a liquidator that has wide powers to liquidate such company to pay its debt and administrative expenses. In such event, the Note Guarantee may not be deemed to rank senior in right of payment to any future subordinated indebtedness of the Parent Guarantor, and as such, the holders of the Notes may not receive any recovery on the Note Guarantee.

An active trading market may not develop for the Notes, in which case your ability to transfer the Notes will be more limited.

The Notes are new securities for which there is currently no existing trading market. Prior to this offering there has been no trading market in the Notes. Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. The liquidity of any market for the Notes will depend on a number of factors, including general economic conditions and our and the Issuer's own financial condition, performance and prospects, as well as recommendations of securities analysts. The Issuer has been informed by the Initial Purchasers that they currently intend to make a market in the Notes after the Issuer has completed this offering. However, they are not obligated to do so and may discontinue such market-making activity at any time without notice. In addition, market-making activity by the Initial Purchasers' affiliates may be subject to limits imposed by applicable law. As a result, we cannot assure you that any market in the Notes will develop or, if it does develop, it will be maintained. If an active market in the Notes fails to develop or be sustained, you may not be able to sell the Notes or may have to sell them at a lower price.

Developments in other markets may adversely affect the price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

The Notes are subject to restrictions on resales and transfers.

The Notes have not been registered under the Securities Act or any U.S. state securities laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. No Notes may be sold or transferred unless such sale or transfer is exempt from the registration requirements of the Securities Act (for example, in reliance on the safe harbor provided by Regulation S under the Securities Act) and applicable state securities laws. For certain restrictions on resales and transfers, see "Transfer Restrictions".

The rating of the Notes may be lowered or withdrawn depending on some factors, including the rating agency's assessment of our financial strength and Indian sovereign risk.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future. The ratings of the Notes address the likelihood of payment of principal on the relevant maturity dates of the Notes. The ratings also address the timely payment of interest on each payment date. A rating of the Notes is not a recommendation to purchase, hold or sell the Notes, and the rating will not comment on market price or suitability for a particular investor. We cannot assure you that the rating of the Notes will remain for any given period of time or that the rating will not be lowered or withdrawn. A downgrade in the rating of the Notes will not be an event of default under the terms of the Notes. The assigned rating may be raised or lowered depending, among other factors, on the rating agency's assessment of our financial strength as well as its assessment of Indian sovereign risk generally.

Investment in the Notes may subject you to foreign exchange risks.

The Notes are denominated and payable in U.S. dollars. If an investor measures its investment returns by reference to a currency other than U.S. dollars, an investment in the Notes entails foreign exchange-related risks. Such risks include possible significant changes in the value of the U.S. dollar relative to the currency by reference to which an investor measures its investment returns, due to, among other things, economic, political and other factors over which we have no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes.

Furthermore, the majority of our revenues are denominated in Indian rupees. Depreciation of the Indian rupee against the U.S. dollar could adversely affect the U.S. dollar value of our earnings and our ability to satisfy our obligations under the Notes.

The guarantee of the Notes by the Parent Guarantor is capped at 150% of the principal amount of the Notes and may not be sufficient to pay all amounts due under the Notes or the Indenture.

The Parent Guarantor has guaranteed the payment of all obligations due under the Indenture and the Notes. The guarantee is limited to 150% of the total initial aggregate principal amount of the Notes that will be issued on the original issue date. The guaranteed amount may be increased from time to time up to a maximum of 150% of the then outstanding total aggregate principal amount of the Notes, including any Additional Notes. Under certain circumstances, including as a result of the accrual of interest over time, the obligation to pay additional amounts due under the Indenture or as a result of amounts due under a currency indemnity under the Indenture, the amounts due under the Indenture and the Notes may exceed the guaranteed amount. With respect to any such excess amount, you would not have any claim against the Parent Guarantor under the Note Guarantee.

The enforceability of the Note Guarantee will be subject to the local laws of India in which the Parent Guarantor is organized.

The laws of India in which the Parent Guarantor is organized limit any obligations other than the Parent Guarantor's direct obligations or the obligations of the Parent Guarantor's subsidiaries and/or impose a time limit pursuant to which a claim must be made under a guarantee.

If you were to enforce the Note Guarantee of the Parent Guarantor in India, your claims may be limited. If these limitations were not observed, the Note Guarantee could be subject to legal challenge. Furthermore, although we believe that the Note Guarantee is enforceable (subject to local law restrictions), a third party creditor may challenge this Note Guarantee and prevail in court.

Any enforcement of the Note Guarantee after an insolvency event of the Parent Guarantor will be subject to the insolvency and administrative laws of India, or the insolvency laws of the country where the center of main interests of the Parent Guarantor is situated. The insolvency, administrative and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Note Guarantee or limit any amounts that you may receive.

In addition, any reorganization without the consent of the Parent Guarantor may impact the enforceability of the Note Guarantee.

The Issuer may be able to redeem the Notes in whole at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest as a result of certain changes in tax laws.

As described in "Description of the Notes — Redemption for taxation reasons", in the event the Issuer is required to pay additional amounts as a result of certain changes in tax law, including changes in an existing official position that result in the Notes being subject to withholding taxes (in the case of India, in excess of 5% (plus applicable surcharge and cess)), the Issuer may redeem the Notes in whole but not in part at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the global note representing the Notes will trade in book-entry form only, and notes in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of the Notes for purposes of the Indenture. The common depository for Euroclear and/or Clearstream will be the sole registered holder of the global notes. Accordingly, you must rely on the procedures of Euroclear or Clearstream, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indenture. Upon the occurrence of an Event of Default under the Indenture, unless and until definitive registered notes are issued with respect to all book-entry interests, if you own a book-entry interest, you will be restricted to acting through the relevant clearing system. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See "Description of the Notes — Book-Entry; Delivery and Form".

The liquidity and price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in our turnover, earnings and cash flows and proposal for new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in price for comparable companies and government regulations and changes thereof applicable to our industry and general economic conditions nationally or internationally could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. We cannot assure you that these developments will not occur in the future.

We will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to debt securities listed in certain other countries.

We will be subject to reporting obligations in respect of the Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different from those imposed by securities exchanges in other countries or regions such as the United States. As a result, the level of information that is available may not correspond to what you are accustomed to.

USE OF PROCEEDS

We estimate that the net proceeds from this offering, after deducting the underwriters' discount and estimated expenses payable by us, will be approximately US$ million, which we plan to use, in accordance with applicable law, as follows:

(i) to prepay, repay or refinance up to an aggregate of US$190.0 million of (a) the existing working capital facilities of the Parent Guarantor and Restricted Subsidiaries ("Refinanced Working Capital Facilities") and (b) the existing secured term loan facilities of the Parent Guarantor and Restricted Subsidiaries ("Refinanced Secured Term Loan Facilities"), of which at least US$50.0 million will be used to prepay, repay or refinance Refinanced Secured Term Loan Facilities;

(ii) to pay transaction expenses in relations to clauses (i) above or (iii) below; and

(iii) balance of proceeds shall be used by the Parent Guarantor and Restricted Subsidiaries for acquisitions, working capital spending and operating expenses.

An amount equal to the net proceeds of the Notes will be credited to a designated account that will solely be used to finance and/or refinance projects (including through acquisition) for the design, development, manufacture, supply and execution of the products and services designed to increase crop productivity, increase water use efficiency and reduce water and energy consumption in the agriculture sector in India and overseas.

"Eligible Green Projects" are defined below:

1. Manufacturing of renewable energy products expenses associated with the production of products that facilitate the generation and use of renewable energy including, but not limited to, solar PV solar panels, solar water heater systems, LED solar lanterns, solar street lighting, solar agri and hand pumps, biogas-based power generation and application development, biogas plants and turnkey projects for these applications.

2. MIS expenses associated with the design, manufacture, supply, and execution of MIS products and projects optimized for Indian conditions and designed to increase crop productivity and reduce water usage and energy consumption. MIS products deliver water directly to the root zone of crops resulting in better water use efficiency. Loss of water during application and conveyance is reduced by MIS, resulting in savings of water and reduced time for irrigation. MIS reduces the consumption of water, hence, less pumping hours are required in delivering water and electricity consumption is reduced.

3. Water efficiency expenses associated with the design, production and installation of products that facilitate the efficient use of water including, but not limited to, providing municipalities with MDPE and HDPE pipe network for potable water.

Soon after the Original Issue Date, our Sustainability and Environmental Services Team, comprised of members from the green energy department, the micro irrigation division, the accounting department and the treasury (the "SES Team"), will identify the Refinanced Working Capital Facilities and Refinanced Secured Term Loan Facilities (that were originally used for the financing of Eligible Green Projects).

Projects financed and/or re-financed through the Green Bond proceeds were evaluated and selected based on; (i) commercial feasibility, (ii) alignment with eligibility criteria and (iii) alignment with our internal environmental and social risk assessment process. The finance department assessed the commercial feasibility and subsequently selected the eligible projects. The

SES Team oversaw the project selection with regards to alignment with eligibility criteria and internal environment and social risk assessment process. To ensure this, we have a well-established Integrated Management System (IMS) in place, which includes the implementation of requirements of the latest international standards on quality, environment, occupational health and safety management system. We are certified to the ISO 9001, ISO 14001 and BS OHSAS 18001 standards and have established the Quality, Environment, and Occupational Health and Safety Policy. The OHS risks at manufacturing and installation sites are assessed based on the comprehensive procedures formulated under integrated management systems.

We will establish processes to track and monitor the allocation of an amount equal to the net proceeds of the bonds for the financing or refinancing of Eligible Green Projects (including through acquisition). Our accounting department will be responsible for tracking the allocation against the Eligible Green Projects, which will be reviewed annually by our SES Team. The team is comprised of members from the departments of Green Energy, Micro Irrigation Division, Accounting and Treasury.

Prior to allocation of an amount equal to the net proceeds of the bonds, the funds will be held temporarily in cash and cash equivalents or will be used to temporarily repay short term indebtedness through bank lines.

Within one year of the issuance, and until the full allocation of an amount equal to the net proceeds of the bonds for the Eligible Green Projects is completed, we will publicly make available through our website (www.jains.com): (i) annual updates on the amounts allocated for the Eligible Green Projects and assertions by management with respect thereto, (ii) the expected impact metrics related to the relevant Eligible Green Projects and (iii) an annual external review from an environmental consultant or other third party appointed by the Issuer, that the allocation of an amount equal to the net proceeds was applied to Eligible Green Projects. Information contained in our website does not constitute part of this Offering Memorandum.

CAPITALIZATION

The following table sets forth the capitalization of our Company on a consolidated basis as of September 30, 2016:

(i) on an actual basis; and

(ii) as adjusted to give effect to the issuance of the Notes offered hereby and the application of the proceeds therefrom to repay indebtedness as described under "Use of Proceeds" (assuming the full amount of indebtedness intended to be refinanced with the proceeds of the Notes is repaid).

You should read the following table together with "Use of Proceeds", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Description of the Notes" and the Consolidated Financial Statements and the related notes thereto included elsewhere in this Offering Memorandum.

	As of September 30, 2016	
	Actual	As adjusted for the Offering
	(in millions of Rs.)	
Short-term debt		
Secured debt	24,233.7	
Unsecured debt	215.9	
Total short-term debt	24,449.5	
Long-term debt		
Secured debt	14,396.6	
Unsecured debt	5,840.2	
Total long-term debt	20,236.8	
Total debt	44,686.4	
Shareholders' funds		
457,219,978 equity shares of Rs.2 each	920.3	920.3
19,294,304 shares with differential voting rights	38.6	38.6
Reserves and surplus	26,810.4	26,810.4
Total shareholders' funds	27,769.3	27,769.3
Non-controlling interest	737.4	737.4
Total capitalization	73,193.1	

Our total debt increased by Rs.724.9 million in the three months ended December 31, 2016, to Rs.45,411.3 million as of December 31, 2016 from Rs.44,686.4 million as of September 30, 2016, due to a Rs.990.0 million increase in short-term debt, which was partially offset by a Rs.265.1 million decrease in long-term debt.

Except as disclosed herein, there have been no material changes in the Parent Guarantor's capitalization since September 30, 2016.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The Audited Financial Statements included elsewhere in this Offering Memorandum have each been prepared in accordance with Indian GAAP and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. Effective April 1, 2016, we began preparing our financial information under Ind AS, and accordingly, the Unaudited Financial Statements included elsewhere in this Offering Memorandum have each been prepared in accordance with Ind AS and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. The selected financial information presented below should be read in conjunction with the Consolidated Financial Statements and the notes thereto included elsewhere in this Offering Memorandum as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The tables below show the consolidated financial information for our Company as of and for the fiscal years ended March 31, 2014, 2015 and 2016 and the six months ended September 30, 2015 and 2016. The audited consolidated financial information for our Company as of and for the fiscal years ended March 31, 2014, 2015 and 2016 have been derived from the Audited Financial Statements. Our summary consolidated financial data as of and for the six months ended September 30, 2015 and 2016 have been extracted or derived from the Unaudited Financial Statements. Our results for the six months ended September 30, 2016 should not be considered indicative of the actual results we may achieve for fiscal year 2017. For a discussion of certain principal differences between Indian GAAP and Ind AS, see "Summary of Certain Principal Differences between Indian GAAP and Ind AS".

The Audited Financial Statements have been prepared and presented in accordance with Indian GAAP, which may differ in material respects from generally accepted accounting principles in other jurisdictions. See "Risk Factors — Risks Relating to Our Business — Significant differences exist between Indian GAAP, Ind AS and other accounting principles such as IFRS which may be material to investors' assessments of our financial condition".

Consolidated Statement of Profit and Loss

	Fiscal Year		
	2014	2015	2016
		(audited)	
		(in millions of Rs.)	
Revenue from operations	59,859.5	63,092.6	64,513.5
Less: Excise duty	(1,578.2)	(1,566.1)	(1,642.2)
Revenue from operations (net)	58,281.3	61,526.5	62,871.3
Other income	463.0	410.0	465.6
Total revenue	**58,744.3**	**61,936.5**	**63,336.9**
Expenses			
Cost of material consumed	33,910.4	35,617.7	35,699.3
Changes in inventories of finished goods and work-in-progress	(501.9)	(1,160.9)	(693.1)
Employee benefit expenses	6,141.3	6,658.4	6,683.8
Finance costs	4,676.5	4,692.8	4,768.8
Depreciation and amortization expense	2,045.4	2,440.6	2,635.8
Other expenses	11,404.7	12,760.9	13,163.9
Cost of self-generated capital equipment	(372.9)	(146.7)	(79.3)
Total expenses	**57,303.5**	**60,862.7**	**62,179.2**
Profit before exceptional items and tax	**1,440.8**	**1,073.8**	**1,157.7**
Exceptional items	2,300.4	763.0	190.6
Profit (loss) before tax	**(859.6)**	**310.8**	**967.2**
Tax expenses			
- Current tax	233.0	77.7	24.1
- Deferred tax	(694.7)	(316.8)	84.6
Profit after tax	**(397.9)**	**549.9**	**858.5**
Prior period expense	—	4.4	0.1
Profit (loss) for the year before minority interest	**(397.9)**	**545.5**	**858.4**
Share of profit in associate	—	8.4	27.2
Minority interest	(0.3)	—	(2.9)
Profit (loss) for the year	**(398.2)**	**553.9**	**882.7**
Earnings per share: (Face value Rs.2 per share)			
Basic	(0.9)	1.2	1.9
Diluted	(0.9)	1.2	1.9

	Six months ended September 30,	
	2015	2016
	(unaudited) (in millions of Rs.)	
Income from operations		
Sales / income from operations	29,621.5	31,357.2
Other operating income	285.0	420.8
Total income from operations (net)	**29,906.5**	**31,778.0**
Expenses		
Cost of materials consumed	18,052.5	20,028.5
Purchase of stock-in-trade	—	—
Changes in inventories of finished goods, work-in-progress and stock-in-trade including biological assets	(1,999.2)	(3,689.8)
Excise duty on sales	778.1	813.6
Employees benefits expense	3,079.1	3,617.1
Depreciation and amortization expenses	1,311.6	1,424.8
Other expenses	6,452.4	6,784.4
Manufacturing expenses	2,793.0	2,814.5
Selling and distribution expenses	1,819.7	2,059.7
Administrative and other expenses	1,799.3	2,056.1
Foreign exchange fluctuation loss (gain)	40.4	(145.9)
Cost of self-generated capital equipment	(1.0)	(23.4)
Total expenses	**27,673.5**	**28,955.2**
Profit (loss) from operations before other income, Finance costs and exceptional items	**2,233.0**	**2,822.8**
Other Income	207.3	276.1
- Interest	101.7	53.2
- Other	105.6	222.9
Profit (loss) from ordinary activities before finance costs and exceptional items	**2,440.3**	**3,098.9**
Finance costs	2,422.9	2,285.9
Profit (loss) from ordinary activities after finance costs but before exceptional items	**17.4**	**813.0**
Exceptional items	—	—
Profit (loss) from ordinary activities before tax	**17.4**	**813.0**
Profit from ordinary operations before tax	**17.4**	**813.0**
Tax expenses	(57.4)	(89.6)
Net profit (loss) from ordinary activities after tax	**74.8**	**902.6**
Net profit from ordinary activities after tax	**74.8**	**902.6**
Prior period expenses	—	—
Net profit from ordinary activities after tax	**74.8**	**902.6**
Extraordinary items	—	—
Net profit (loss) for the period	**74.8**	**902.6**
Share of profit in associate company	16.3	14.0
Minority interest	—	(50.9)
Net profit (loss) after taxes minority interest and share of Profit (loss) of associates	**91.1**	**865.7**
Other comprehensive income (net of tax)	**74.4**	**(77.9)**
Total comprehensive income (after tax)	**165.5**	**787.8**
Paid-up equity share capital (face value of the Share Rs.2/-)	924.8	958.9
Earnings per share (before extraordinary items) (of Rs.2/- Each) (not annualized):		
Basic	0.2	1.7
Diluted	0.2	1.7
Earnings per share (after extraordinary items) (of Rs.2/- each) (not annualized):		
Basic	0.2	1.7
Diluted	0.2	1.7

Consolidated Statement of Financial Position

	As of March 31,		
	2014	2015	2016
		(audited) (in millions of Rs.)	
Equity and Liabilities			
Shareholders' funds			
Share capital	924.8	924.8	953.0
Reserves and surplus	20,830.7	20,474.2	23,398.3
	21,755.5	**21,399.0**	**24,351.3**
Minority interest	204.8	—	692.0
Non-current liabilities			
Long term borrowings	14,976.6	16,956.9	19,309.6
Deferred tax liabilities (net)	1,411.7	1,201.2	1,522.2
Other long term liabilities	257.3	372.2	505.6
Long term provisions	64.3	87.1	92.2
	16,709.9	**18,617.4**	**21,429.6**
Current Liabilities			
Short term borrowings	21,889.2	22,401.4	21,210.4
Trade payables			
Total outstanding dues to small enterprises and medium enterprises	—	30.0	107.2
Total outstanding dues to trade payable other than small enterprises and medium enterprises	13,432.7	13,538.3	13,316.3
Other current liabilities	7,579.5	7,284.0	7,986.0
Short term provisions	552.3	528.9	589.2
	43,453.6	**43,782.6**	**43,209.1**
Total	**82,124.0**	**83,798.9**	**89,682.0**
Assets			
Non-current assets			
Fixed assets			
Goodwill on consolidation	2,192.1	2,556.7	2,928.0
Tangible assets	25,003.9	24,531.1	24,618.0
Intangible assets	575.4	519.6	472.9
Capital work-in-progress	806.9	525.9	603.7
	28,578.3	**28,133.2**	**28,622.6**
Non-current investments	14.2	620.6	650.1
Deferred tax assets (net)	1,194.3	1,358.4	1,594.8
Long term loans and advances	3,198.8	2,951.0	2,954.5
Other non-current assets	1,058.2	1,447.4	1,565.0
	5,465.5	**6,377.4**	**6,764.4**
Current assets			
Current investment	—	—	350.0
Inventories	18,363.9	18,565.9	19,199.4
Trade receivables	17,994.0	19,541.0	22,484.9
Cash and bank balances	1,968.2	3,041.1	3,808.2
Short term loans and advances	5,612.1	4,631.3	4,520.2
Other current assets	4,142.0	3,509.1	3,932.3
	48,080.2	**49,288.3**	**54,295.0**
Total	**82,124.0**	**83,798.9**	**89,682.0**

	Six months ended September 30,	
	2015	2016
	(unaudited) (in millions of Rs.)	
Assets		
Non-current assets		
Property, plant and equipment	25,110.2	24,288.4
Capital work-in-progress	684.0	1,271.1
Intangible assets	561.7	503.9
Goodwill on consolidation	3,413.6	3,441.3
Financial assets		
- Investments	688.9	726.6
- Loans	1,812.8	1,766.9
- Other financial assets	239.2	366.1
Deferred tax assets	1,625.7	2,883.6
Other non-current assets	812.6	891.4
Total non-current assets	**34,948.7**	**36,139.3**
Current assets		
Inventories	20,983.0	23,711.7
Biological assets other than bearer plants	268.7	462.9
Financial assets		
- Trade receivables	18,274.2	21,539.7
- Cash and cash equivalent	2,143.5	1,856.2
- Loans	287.2	305.7
- Other financial assets	549.5	682.6
Current tax assets (net)	367.6	477.6
Other current assets	8,490.9	8,470.3
Total current assets	**51,364.6**	**57,506.7**
Total assets	**86,313.3**	**93,646.0**
Equity and liabilities		
Equity		
Equity share capital	924.8	958.9
Other equity	20,433.9	26,810.4
Total equity	**21,358.7**	**27,769.3**
Non-controlling interest	—	737.4
Liabilities		
Non-current liabilities		
Financial liabilities		
- Borrowings	16,379.7	13,715.1
- Other financial liabilities	1,085.0	946.6
Provisions	86.3	131.2
Deferred tax liabilities (net)	89.0	1,447.8
Total non-current liabilities	**17,640.0**	**16,240.7**
Current liabilities		
Financial liabilities		
- Borrowings	25,477.2	24,449.5
- Trade payable	13,878.3	14,497.6
- Other financial liabilities	5,546.0	7,830.8
Other current liabilities	1,865.7	1,472.0
Provisions	547.4	648.7
Total current liabilities	**47,314.6**	**48,898.6**
Total equity and liabilities	**86,313.3**	**93,646.0**

Consolidated Statement of Cash Flows

	Fiscal Year		
	2014	2015	2016
		(audited) (in millions of Rs.)	
Cash flow from operating activities:			
Net profit before tax	(859.6)	310.8	967.2
Adjusted for:			
Depreciation and amortization expense	2,045.4	2,440.6	2,635.8
Amounts written off and provisions	505.7	627.9	541.2
Un-realized forex (gain) loss	1,208.3	(57.2)	(815.4)
Provision for wealth tax	0.0	(0.1)	(0.5)
Provision for gratuity and other benefit	43.3	4.2	34.0
Loss (profit) on asset sale discarded (net)	(157.7)	(32.3)	(33.7)
Loss (profit) on sale of investments	—	—	(0.1)
Interest and finance charges	4,676.5	4,692.8	4,768.8
Provision for doubtful debts and advances written back	(15.9)	(31.7)	(96.4)
Sundry credit balances appropriated	(9.2)	(21.8)	(14.6)
Dividend and interest income	(114.0)	(190.4)	(188.1)
Operating profit before working capital changes	**7,322.8**	**7,742.7**	**7,798.1**
Changes in working capital:			
(Increase) decrease in trade and other receivables	1,318.6	(1,957.3)	(3,358.7)
(Increase) decrease in loans and advances and other assets	(3,019.7)	530.5	(374.7)
(Increase) decrease in inventories	(1,133.2)	(202.0)	(633.5)
Increase (decrease) in trade payable, other liabilities and provisions	1,290.9	761.2	(46.1)
Cash flow generated from operations	**5,779.3**	**6,875.1**	**3,385.1**
Taxes paid	(40.9)	(270.6)	(86.8)
Net cash flow from operating activities	**5,738.4**	**6,604.5**	**3,298.3**
Cash flow from investing activities:			
Purchase of fixed assets (including changes in changes in capital work in progress and capital advances)	(3,321.5)	(2,204.7)	(2,365.9)
Sale of fixed assets	706.7	112.1	45.8
Purchase of investment	(1.0)	(10.0)	(352.4)
Acquisition of strategic investment[1]	(407.4)	(356.1)	(371.4)
Share application money paid	(7.5)	(10.0)	—
Interest received	102.5	189.0	190.0
Dividend income	8.0	0.0	0.0
Net cash flow used in investing activities	**(2,920.2)**	**(2,279.7)**	**(2,853.9)**

	Fiscal Year		
	2014	2015	2016
	(audited) (in millions of Rs.)		
Cash flow from financing activities:			
Total proceeds by way of issue of shares	—	—	1,074.8
Total proceeds by way of issue of share warrants	485.4	—	—
Investment by minority shareholders	—	—	2,403.1
Fixed deposits placed with bank	—	—	(16.6)
Increase (decrease) in term loans (net)	(832.9)	1,141.9	3,131.2
Increase (decrease) working capital borrowings (net)	2,048.6	513.7	(1,191.0)
Interest and finance charges paid	(4,637.9)	(4,640.9)	(4,797.5)
Dividend and dividend distribution tax paid	(265.2)	(269.5)	(277.4)
Net cash flow from (used in) financing activities	**(3,202.0)**	**(3,254.8)**	**326.6**
Net increase (decrease) in cash and cash equivalents	**(383.8)**	**1,070.0**	**771.0**
Cash and cash equivalents as at the beginning of the year	2,323.8	1,940.0	3,010.0
Cash and cash equivalents as at end of the year	1,940.0	3,010.0	3,781.0
Net increase (decrease) in cash and cash Equivalents	(383.8)	1,070.0	771.0

(1) In fiscal year 2015, share of profit in associates was reclassified as acquisition of strategic investment under cash flow from (used in) investing activities prior to which it was classified under cash flow from (used in) operating activities.

	Six months ended September 30,	
	2015	2016
	(unaudited) (in millions of Rs.)	
Cash flow from operating activities:		
Net profit before tax	33.7	827.1
Adjustment for:		
Depreciation and amortization expense	1,311.6	1,424.8
Amounts written off and provisions	244.3	166.8
Unrealized forex (gain) loss	(987.4)	(159.1)
Provision for gratuity and other benefit	16.6	59.4
Loss (profit) on assets sale/discarded (net)	(19.8)	(9.2)
Loss (surplus) on sale of investments	—	(19.9)
Change in fair value of investments	(0.3)	(0.9)
Change in fair value of biological assets	32.3	(94.4)
Change in fair value of options of FCCB	59.8	84.7
(Gain) loss on derivatives	45.6	(15.7)
Profit in investee company	(16.3)	(13.9)
Finance costs	2,422.8	2,286.1
Provision for doubtful debts and advances written back	(28.2)	(119.2)
Employee stock option ("ESOP") issue expenses	—	(29.6)
Sundry credit balances appropriated	(0.6)	(1.2)
Dividend/interest income	(101.7)	(53.2)
Operating Profit before working capital changes adjustment for:	**3,012.4**	**4,332.4**
(Increase) decrease in trade and other receivables	1,326.5	379.6
(Increase) decrease in loans and advances and other assets	(1,089.5)	(1,300.2)
(Increase) decrease in inventories	(2,687.7)	(4,997.7)
(Increase) decrease biological assets	48.6	(54.4)
Increase (decrease) in trade payable, other liabilities and provisions	(363.4)	(455.5)
Cash generated from operations	**247.0**	**(2,095.9)**
Direct taxes paid	2.6	(113.4)
Net cash from operating activities	**249.6**	**(2,209.3)**
Cash flow from investing activities:		
Purchase of fixed assets	(1,027.8)	(1,067.7)
Sale of fixed assets	28.2	22.3
Sale (purchase) of investment (net)	—	369.9
Acquisition of strategic investment	(332.0)	(351.5)
Interest received	81.9	51.1
Dividend income	0.0	0.0
Net cash flow from investing activities	**(1,249.6)**	**(976.0)**
Cash flow from financing activities:		
Total proceeds by way of issue of shares (net)	0.0	202.4
Proceeds from term loan borrowings (net)	566.1	105.9
Fixed deposits placed with bank	(22.7)	(10.5)
Proceeds from working capital borrowings (net)	1,954.8	3,077.0
Interest and finance charges paid	(2,391.0)	(2,139.7)
Dividend and dividend distribution tax paid	0.9	0.9
Net cash used in financing activities	**108.1**	**1,236.0**
Net increase in cash and cash equivalents	**(891.9)**	**(1,949.3)**
Cash and cash equivalents as of the beginning of the year	3,007.6	3,767.9
Cash and cash equivalents as of end of the year	2,115.7	1,818.6

Other Financial Data

	As of March 31,			Six months ended September 30,	
	2014	2015	2016	2015	2016
	(in millions of Rs.)				
Adjusted EBITDA(2)	8,498.1	8,616.3	8,889.6	3,920.1	4,350.1

(2) Adjusted EBITDA is calculated as (i) profit before exceptional items and tax for fiscal years 2014, 2015 and 2016 and (ii) profit (loss) from ordinary activities after finance costs but before exceptional items for the six months ended September 30, 2015 and 2016, in each case before: (a) profit on sale of assets, (b) profit on sale of investments, (c) dividend income, (d) sundry balances appropriated, (e) finance costs, (f) loss on foreign currency transactions and translation, (g) other non-operating expenses (corporate social responsibility expenses and business acquisition expenses), (h) interest on deposits and others, (i) depreciation and amortization expense, (j) irrecoverable claims, (k) bad debts and bad advances, (l) provisions for bad and doubtful debts and (m) with respect to Adjusted EBITDA for the six months ended September 30, 2015 and 2016 only, gain on fair valuation of equity instruments and mutual funds. Adjusted EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.

The following table reconciles Adjusted EBITDA to profit before exceptional items and tax for the periods indicated.

	Fiscal Year		
	2014	2015	2016
	(audited) (in millions of Rs.)		
Profit before exceptional items and tax	**1,440.8**	**1,073.8**	**1,157.7**
Profit on sale of assets.	(4.5)	(32.3)	(33.7)
Profit on sale of investments	(153.2)	—	(0.1)
Dividend income	(8.0)	(0.0)	(0.0)
Sundry balances appropriated.	(9.2)	(21.8)	(14.6)
Finance costs	4,676.5	4,692.8	4,768.8
Loss on foreign currency transactions and translation	—	—	15.5
Other non-operating expenses (corporate social responsibility expenses and business acquisition expenses)	110.7	25.8	7.2
Interest on deposits and others.	(106.0)	(190.3)	(188.1)
	5,947.1	**5,547.9**	**5,712.7**
Depreciation and amortization expense.	2,045.4	2,440.6	2,635.8
Irrecoverable claims.	250.6	320.3	126.3
Bad debts and bad advances.	73.8	140.3	185.9
Provisions for bad and doubtful debts	181.3	167.4	228.9
Adjusted EBITDA	**8,498.1**	**8,616.3**	**8,889.6**

The following table reconciles Adjusted EBITDA to profit (loss) from ordinary activities after finance costs but before exceptional items for the periods indicated.

	Six months ended September 30,	
	2015	2016
	(unaudited) (in millions of Rs.)	
Profit (loss) from ordinary activities after finance costs but before exceptional items	**17.4**	**813.2**
Profit on sale of assets	(19.8)	(9.2)
Profit on sale of investments	—	(19.9)
Dividend income	—	—
Sundry balances appropriated	(0.6)	(120.4)
Finance costs	2,422.9	2,285.9
Loss on foreign currency transactions and translation	40.4	(145.9)
Gain on fair valuation of equity instruments and mutual funds	(0.3)	(0.9)
Other non-operating expenses	5.9	9.1
Interest on deposits and others	(101.7)	53.2
	2,364.2	**2,758.5**
Depreciation and amortization expense	1,311.6	1,424.8
Irrecoverable claims	55.9	54.3
Bad debts and bad advances	65.4	43.1
Provisions for bad and doubtful debts	123.0	69.4
Adjusted EBITDA	**3,920.1**	**4,350.1**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, the Consolidated Financial Statements and the related notes thereto, which are included elsewhere in this Offering Memorandum.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in or implied by any of the forward-looking statements as a result of various factors, including but not limited to those listed under "Risk Factors" and "Forward-Looking Statements".

Overview

We are one of India's leading high technology agricultural solution providers, operating across the agro-business value chain with businesses spread across the globe. Our business comprises the following business segments:

- hi-tech agri input products segment, which comprises (i) MIS products, (ii) cultivated tissue culture plants, (iii) precision farming products and (iv) advisory services. Our MIS products comprise (a) drip irrigation systems, (b) sprinkler irrigation systems, (c) solar pumping systems and (d) integrated irrigation projects;

- plastic products segment, which comprises (i) piping systems, (ii) PVC sheets and (iii) turnkey services. Our piping systems comprise (a) PVC pipes and fittings and (b) PE pipes and fittings;

- agro-processed products segment, which comprises (i) dehydrated onion and vegetable products, (ii) processed fruit products and (iii) biogas power generation; and

- other products and services segment, which comprises (i) renewable energy systems, (ii) solar power generation and (iii) equipment manufacturing.

We won the APEDA Golden Trophy for the last five consecutive years which recognized our position as the largest exporter of processed fruits and vegetables in India. In addition, we are one of the major players in the MIS and agriculture PVC pipes and the HDPE pipes segments according to Spark Capital.

We provide total solutions to farmers to enhance their productivity and yield by leveraging our expertise in agriculture and relationships with our various stakeholders. In addition, the breadth of our product offerings enables us to provide integrated solutions which are customized to the needs of our customers. Our MIS products, solar pumping systems and piping systems provide integrated irrigation solutions which are essential to the efficient operations of farmers. We also undertake integrated irrigation projects to large farming communities and provide turnkey services for the construction of piping systems which utilize our MIS and piping systems products. We also provide cultivated tissue culture plants which aid the cultivation of crops by farmers by reducing growing time and creating higher crop yields.

We have an extensive presence in India and abroad. We operate 12 manufacturing facilities in India. We believe one of our core strengths is the synergy created by our extensive global experience and our local knowledge and capabilities. We believe our core manufacturing base in India provides us with a low-cost manufacturing capability. In addition, we operate 18 manufacturing facilities outside of India located in four continents, namely Europe, North America, South America and other parts of Asia.

Our extensive network of dealers in India provides a significant competitive advantage which we believe our competitors cannot easily replicate. We had 6,527 dealers in India who market our hi-tech agri input products and plastic products to end customers as of September 30, 2016, approximately two-thirds of which market such products on an exclusive basis. Most of these dealers come from farming backgrounds and have deep relationships in the farming communities in which they operate.

We operate an international micro irrigation business. Our subsidiary in Israel, NaandanJain Irrigation, is a leading manufacturer of high quality irrigation equipment. Our subsidiary in the United States, Jain USA, is a leading manufacturer of irrigation products, which it markets under the well-established "Chapin" and "Aquarius" brands. In addition, Jain USA produces irrigation monitoring devices and software under the "Puresense" brand in the United States and wireless sprinklers with modifiable water flow and pattern under the "Genesys" brand. In addition, our subsidiary in Turkey, Jain Sulama, manufactures irrigation systems which we intend to leverage as a platform for our expansion of our sales into neighboring countries and Africa. We intend to leverage NaandanJain Irrigation's current operations in South America to continue expanding the sales of our products there.

The international reach of our agro-processed products segment comprises operations in the United States and Europe. Our subsidiary in the United States, Cascade, produces dehydrated onion products for a wide network of customers. In addition, Cascade's White Oak Frozen Foods division produces reduced moisture frozen vegetable products, which it sells to multi-national food companies located in the United States. Our subsidiary in the United Kingdom, Sleaford, produces spices and other food ingredient products, which provides us with direct access to the United Kingdom food markets.

We also operate an equipment manufacturing business in Switzerland through our Swiss subsidiary, THE Machines. THE Machines manufactures various capital machinery and equipment and designs production lines for the production of irrigation and other products. THE Machines's operations includes R&D on "next generation" irrigation systems, including developing thin emitters and tape lines which require less material to produce and which are capable of being applied across multiple crops.

In addition, we have a 49.0% interest in SAFL, a non-banking financial company which focuses on providing financing solutions to Indian farmers. SAFL provides certain financing solutions to Indian farmers including financing for the purchase of MIS products, farm equipment, piping systems, motors and pumps for lift irrigation, solar modules, crops, livestock, sheds and two wheel vehicles. SAFL also provides financing for contract farming, agricultural projects and business ventures. As of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016, the total outstanding loans of SAFL was Rs.948.9 million, Rs.1,564.1 million, Rs.2,040.0 million, Rs.1,917.0 million and Rs.2,184.2 million, respectively.

Our total revenues were Rs.58,744.3 million, Rs.61,936.5 million, Rs.63,336.9 million, Rs.29,906.5 million and Rs.31,778.0 million for fiscal years 2014, 2015 and 2016 and the six months ended September 30, 2015 and 2016, respectively. Our profit for the year was Rs.553.9 million and Rs.882.7 million for fiscal years 2015 and 2016, respectively. For fiscal year 2014, we recorded a loss for the period of Rs.398.2 million. Our total comprehensive income (after tax) was Rs.165.5 million and Rs.787.8 million for the six months ended September 30, 2015 and 2016, respectively. For the six months ended September 30, 2016, our sales of hi-tech agri input products, plastic products, agro-processed products and other products and services accounted for 46.1%, 27.3%, 23.8% and 2.8% of our net sales income from operations, respectively.

Factors Affecting our Results of Operations

Government policies including incentives for irrigation equipment and agriculture generally

Our Indian sales are to a large extent dependent upon the availability of Indian central and state government incentives for irrigation systems and agriculture generally. Under current incentives in India, at least 35% of the purchase price of our irrigation systems are subsidized by the Indian central and state governments to the farmer. We believe that initial installations are particularly dependent on these incentives as farmers may be reluctant to incur the initial investment in these systems without government assistance. Additionally, these incentives have greater importance when the price of agricultural products is lower as it then takes farmers longer to recoup their initial investment. See "Risk Factors — Risks Relating to Our Business — The demand for micro irrigation technology is highly dependent on government incentives and initiatives. Any reduction in, or delays in the provision of, government support could adversely affect our business and growth prospects".

During July 2015, the Indian Cabinet Committee on Economic Affairs approved the Pradhan Mantri Krishi Sinchayee Yojana ("PMKSY") scheme, with an objective to improve farm productivity and achieve better use of resources in Indian agriculture, through use of irrigation and other water-saving activities. The PMKSY scheme was allotted a budget of Rs.500 billion over a period of five years, from fiscal year 2016 through fiscal year 2020. The allocation for micro irrigation schemes to various states in India for fiscal year 2017 is Rs.17 billion. Through this scheme, incentives will also be awarded for irrigation projects on a district level, rather than to individual farmers. Potentially, this could allow for a greater volume of irrigation system installations to be covered by incentives, however, the availability of such incentives will be dependent on the ability of districts to submit acceptable plans under the scheme. Regional governments throughout India have also taken steps to make drip irrigation mandatory for sugarcane irrigation. Any such measures would tend to increase demand for drip irrigation products.

Our international subsidiaries also depend to a certain extent on subsidies and incentives. Subsidies for irrigation products in our international markets range from 0% to 50% depending on the specific region or country. Changes in subsidy levels are dependent on government policies and may be subject to change from time to time. Any reduction in subsidies in the markets in which we operate could have an adverse impact on our results of operations.

Availability of financing to and the results of operations of end customers of our MIS products

Our sales of MIS products are dependent on the availability of financing to the end customers of our MIS products. For instance, the Government requires commercial banks, cooperative banks and regional rural banks to provide a certain minimum amount of funding to certain prioritized sectors which include the agriculture sector and funding for the purposes of crop loans. Credit facilities up to a certain maximum amount are provided at interest rates which are lower than market interest rates. See "Risk Factors — Risks Relating to Our Business — The demand for micro irrigation technology is highly dependent on government incentives and initiatives. Any reduction in, or delays in the provision of, government support could adversely affect our business and growth prospects".

In addition, our sales of MIS products are also dependent the results of operations of the end customers of our MIS products. For example, insufficient levels of rain could result in a short-term increase in demand for our products but over the longer term could prevent farmers from planting new crops and may cause growing crops to die or result in lower yields which could adversely impact farmers' ability to fund investments in our products. See "Risk Factors — Risks Relating to Our Business — The success of our business is highly dependent on the performance of and factors affecting the Indian and global agricultural sector, including unfavorable climate and weather conditions".

Credit period for MIS products and ability to finance working capital

Our business requires the provision of credit to our dealers and other customers. In fiscal year 2012, we implemented a cash and carry policy for the sales of our MIS products to dealers in India, which we aim will reduce our cash collection cycle and working capital requirements. Under this cash and carry policy, we seek to recover the entire sale proceeds from dealers for the purchases of our MIS products within 90 to 120 days. As a result of the implementation of our cash and carry policy, we have reduced our accounts receivable of MIS products in India from Rs.17,720.2 million as of March 31, 2012 to Rs.10,309.0 million as of March 31, 2016. However, in Gujarat and Andhra Pradesh, we receive proceeds from sales of MIS products which are made under Government incentive programs from Government agencies generally within 120 to 180 days from the delivery of such products. Payment of such proceeds may take longer due to administrative delays or other reasons beyond our control. The cash collection cycle for our overseas businesses varies by the region and ranges from an average of 60 to 210 days. Dealers and customers typically expect a minimum of 60 days credit period to account for shipping time. In certain countries, such as Israel, Italy and Turkey, the customary credit period is longer, thus our ability to shorten our receivables cycle is limited. The length of our cash collection period is a challenge to our cash management and the need to finance our working capital may lead to a higher cost of capital or reduced operational flexibility. We have been seeking to improve our cash collection cycle through various means, including by reducing receivable days for sales made to dealers and focusing on projects which are well-funded, including by multilateral agencies, and through the use of escrow arrangements. We are also exploring arrangements to securitize our receivables at a global level in order to improve liquidity. Further, we hold a 49.0% interest in SAFL, a non-banking financial company which focuses on providing financing solutions to Indian farmers. Growth in amount and the number of loans issued by SAFL to farmers who purchase our products should tend to improve our cash collection cycle.

Prices of raw materials used in the manufacture of our products and their availability

We rely on external suppliers for the raw materials we use in the manufacture of our products, including polymer and resins for our MIS products, piping systems and PVC sheets and fruits and vegetables for our agro-processed products. Polymer and resin prices are largely determined by supply and demand dynamics in the market for polymers and resins, respectively, which in turn are affected by fluctuations in the price of petroleum, while the price and availability of fruits and vegetables is dependent on factors affecting local farmers, such as seasonal variations in crop production, weather (including damage caused by monsoons) and general macroeconomic factors. In much of our business, it is difficult to pass on increases in raw materials prices to our customers (especially in the short term) so increases in raw materials prices can have an adverse result on our operations. However, we have taken certain initiatives to mitigate these risks, including through entering into purchase arrangements with certain farmers, which provide visibility on raw material supply in our food business, and allow for improved yields. For the remainder of our businesses, we enter into memoranda of understanding with our suppliers as appropriate and maintain relationships with a range of domestic and international suppliers, which allows us to ensure we are able to negotiate prices and control purchase quantities to some extent. See "Risk Factors — Risks Relating to Our Business — Our sales and operations, particularly our agro-processed products, are affected by seasonal and other factors" and "Risk Factors — Risks Relating to Our Business — We depend on certain key raw materials including raw materials derived from petroleum. Consequently, our business, financial condition and results of operations may be materially and adversely affected by increases in the prices or unavailability of these raw materials".

Increasing competition

We face competition from both Indian and international competitors. We expect we will face increasing competition from low-cost competitors both in India and abroad, which may result in margin compression. Additionally, an increase in competition in the Indian market from foreign companies may result in a decrease in market share and also margin compression as we strive to maintain our market position. We may also face challenges due to trade restrictions or government regulations which may make our products less competitive in some markets.

Currency fluctuations

Fluctuations in the rate of exchange between the Indian rupee and major foreign currencies, such as the Euro, British pound and the U.S. dollar can result in mark-to-market gains or losses on our foreign currency debt and could impact our business. We apply the provisions of Ind AS which requires us to mark-to-market our monetary foreign currency assets and liabilities including foreign currency loans on standalone basis (which amounted to US$142.0 million including hedged borrowings as of September 30, 2016). This results in us recognizing a gain or loss on our income statement relating to the appreciation or depreciation of these borrowings. During fiscal year 2016, we exercised an option given in AS 11 whereby exchange differences arising on long-term foreign currency monetary items relating to depreciable assets are capitalized under fixed assets and depreciated over the remaining life of such assets. Accordingly, some amounts which previously would have been recognized as foreign currency gains or losses in the profit and loss account for the current year were capitalized and depreciated over the estimated remaining useful life of the relevant asset to which such losses pertain. We had foreign currency losses of Rs.2,300.4 million, Rs.763.0 million, Rs.206.2 million and foreign currency gains of Rs.145.9 million as of March 31, 2014, 2015 and 2016 and September 30, 2016, respectively. We also mark-to-market our forward contracts and swap contracts which amounted to US$27.5 million, CHF1.2 million and €0.2 million as of September 30, 2016. While our foreign currency expenses are roughly matched by our foreign currency revenues, a change in the percentage of our international sales or international purchases of raw materials could cause a mismatch and subject us to foreign currency risk and timing differences in revenues and expenses could cause gains or losses from fluctuations. Additionally, appreciation in the Indian rupee could make our products less competitive globally and make our competitors products more competitive in India.

Seasonality, utilization rates and our ability to expand our production capacity

Approximately one third of our Indian sales generally occur in the fourth quarter of each fiscal year, with the next highest percentage occurring in the third quarter of each fiscal year and the balance occurring in first two quarters of each fiscal year. For products other than MIS products, we generally operate our manufacturing facilities at or near maximum capacity during our peak production season just prior to the sowing season. During off-peak seasons, we experience reduced utilization which can result in reduced margins for those periods. If we wish to expand, we will need to invest in capital expenditure if we are to grow our business and significantly increase our income.

In addition, our revenue from sales of processed fruit products is dependent on our ability to manufacture such products during the harvesting periods when the respective raw materials are available. For instance, our mango processing season only occurs during the three-month period when raw mangoes are available, which typically occurs between May and July. However, our sales volume of processed mangoes also varies over the course of each year. Approximately 40% of our sales of processed mangoes occur in the fourth quarter of each fiscal year and the balance occurring in the other quarters. These variations are primarily due to the seasonality in the demand for processed mango products. Therefore, if we do not have the manufacturing capacity or are unable to maximize the utilization rate of our manufacturing facilities during the harvesting periods of such raw materials, we would be unable to manufacture processed fruit products at the rate and quantity that would be required to meet the annual demand of such products.

We plan to diversify our production, including through producing new products such as processing of spices and other food products, promoting existing products such as solar pumps and acquiring other related businesses.

General economic and business conditions, in particular for the agriculture sector

Our overall business prospects are significantly dependent on India's agriculture sector and India's economy in general as well as other countries where we operate. India is the largest market for our products, as well as the main source for the raw materials we require. We are therefore affected by general economic conditions in India, and particularly those affecting the agricultural sector and the availability of food and water. For instance, during periods of economic uncertainty, particularly where the disposable income of consumers is affected, consumers may generally reduce purchase of discretionary food products, such as our agro-processed products, switch to cheaper substitutes, or there could be a shift in our product mix to lower margin offerings. In periods of economic growth, we are able to benefit from increased disposable income and consumer purchasing power.

India's GDP growth and agricultural and industrial growth has been, and we believe will continue to be, important factors in determining our operating results and future growth. The growth rate of India's GDP ranged from 9.3% in 2008 to 8.6% in 2010 and was 6.6%, 7.2% and 7.6% during 2013, 2014 and 2015, respectively, according to the World Bank. The growth rate of India's agriculture sector ranged from 6.3% in fiscal year 2008 to 0.4% in fiscal year 2010 and was 1.5% and 4.2% during fiscal years 2013 and 2014, respectively, and the sector contracted by 0.2% during fiscal year 2015 according to the Government of India.

Infrastructure spending by Indian central and state governments

Our piping systems business is dependent on the level of infrastructure spending by Indian central and state governments. Our PVC pipes and fittings are used mainly for water supply, farm irrigation, and drainage and sewage transmission. The primary end users of our PVC pipes and fittings are Indian farmers and commercial and government enterprises. Our PE pipes and fittings are used mainly for water supply and farm irrigation, cable ducting, gas distribution and sewage and effluent transportation. The primary end users of our PE pipes and fittings are Indian commercial enterprises, such as telecommunication companies, gas distribution companies and infrastructure companies and government agencies. In addition, as part of our turnkey services, we provide water efficiency solutions to city municipal corporations and certain districts in India. We expect that our sales of piping systems will continue to depend on infrastructure spending by Indian central and state governments and private infrastructure enterprises such as telecommunication companies for projects related to, among others, irrigation, gas transportation, fiber optic network and drinking water transportation.

Government Incentive Schemes

We benefit from several government programs:

- Our expansion in Jalgaon gives us certain benefits under the Package Scheme of Incentives of the government of Maharashtra up to the amount of our investment. We have made investments of Rs.3,850 million and Rs.5,750 million for the expansion of our MIS and piping systems businesses and Rs.1,621.5 million for the expansion of our agro-processed products business, all of which are subject to tax incentives under the scheme. We are exempt from electricity duty, stamp duty and receive an industrial promotional subsidy. The total benefits are limited to total taxes paid to the government of Maharashtra over a period of time from the commencement of commercial production which ranges from seven to 12 years, depending on the particular investment. Additionally, we are required under the scheme to employ additional personnel. The benefits for our first investment under this scheme (i.e., the Rs.3,850 million expansion of our irrigation and piping division unit) expired in September 2016, although we have applied for a two-year extension of such benefits. Our other two projects for which the scheme is applicable are eligible for such benefits through 2023.

- Our operations in Alwar, Rajasthan are subject to the Rajasthan Investment Promotion Scheme, 2010, which provides us with VAT and CST refunds as well as an exemption from electricity duty of 50% of the actual duty payable. These benefits are limited to taxes paid to the government of Rajasthan over a period of seven years, starting from October 2012.

- The APEDA has a transport assistance scheme for the export of certain horticulture and processed food products to specified countries which offers benefits of between 25% and 33% of the actual freight paid (or 10% of FOB value or 50% of ocean freight, whichever is lower) less applicable government processing charges. In order to avail of these benefits there are certain criteria that must be satisfied including minimum FOB value of goods supplied and minimum freight paid.

- The Merchant Export Incentive scheme ("MEIS") which provides us with an export incentive credit duty script for a certain value of freight costs for goods that we export and the Export Promotion Capital Goods (EPCG) scheme which exempts us from import duties under certain licenses and export obligations.

Critical Accounting Policies

Critical accounting policies are those that require application of our management's most difficult, subjective or complex judgments often as a need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. The following is not intended to be a comprehensive list of all our significant policies. Our significant accounting policies are more fully described in the schedules forming part of the balance sheet and profit and loss statement in our Audited Financial Statements included elsewhere in this Offering Memorandum. The following provides for a discussion of our critical accounting policies related to our Audited Financial Statements which were prepared under Indian GAAP. Critical accounting policies for our Unaudited Financial Statements, which were prepared under Ind AS, may differ in material respects.

Our Unaudited Financial Statements may require adjustments before constituting the final financial statements under Ind AS as of and for the years ended March 31, 2016 and 2017 due to changes in financial reporting requirements which may arise from new or revised standards or interpretations issued by the Ministry of Corporate Affairs, changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS provisions as permitted under Ind AS 101 or other changes or interpretation.

We have identified the following critical accounting policies with respect to our financial presentation under Indian GAAP:

Revenue Recognition

Sales of goods are recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer in accordance with the terms of contract and are recognized net of trade discounts, rebates, sale tax and excise duties. In contracts involving the rendering of services, revenue from sales of services is measured using the proportionate completion method and are recognized net of service tax. Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedents to claims are fulfilled. Dividend income is recognized when the shareholder's right to receive payment is established. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Discount or premium on debt securities held is accrued over the period to maturity.

Tangible Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the statement of profit and loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the statement of profit and loss.

Employment Benefits

Gratuity

We provide for gratuity in the form of a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Our liability is determined on the basis of actuarial valuation using the projected unit credit method at the end of each year. The fair value of the plan assets of the trust administered by us is deducted from gross obligation. Actuarial losses or gains are recognized in the statement of profit and loss in the year in which they arise.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. Our obligation with respect to such accumulated compensated absences is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as of the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. Our liability is determined on the basis of actuarial valuation using the projected unit credit method at the end of each year. Actuarial losses or gains are recognized in the statement of profit and loss in the year in which they arise.

Tax Provisions

Income tax expenses comprise current tax and deferred tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum alternative tax paid which gives rise to future economic benefits in the form of an adjustment of future income tax liabilities is considered an asset when there is convincing evidence that we will pay normal income tax. The deferred tax asset and/or deferred tax liability is calculated by applying tax rates and tax laws enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognized based on managements' assessment of the certainty of its realization. Deferred tax adjustments on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each balance sheet date, the carrying amount of deferred tax assets and liabilities are reviewed and any necessary adjustments of the asset or liability is made.

Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed 10 years from the date when the asset is available for use is considered by management. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in our statement of profit and loss.

Intangible assets including computer software, trademark and development costs and technical knowhow are amortized over a period of five years from the date of acquisition. Goodwill arising from the acquisition of businesses has been amortized over the period of 10 years from the date of acquisition. Non-compete fees and water rights are amortized over a period of 10 years.

Impairment of Assets

At each balance sheet date, we review the carrying amounts of our assets to determine whether there is any indication that those assets suffered any an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flow expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. Any reversal of impairment loss is recognized immediately as income in the profit and loss account. All cash generating units are reviewed at each balance sheet date. To the extent we find an impairment, we write off these assets and take a loss on the amount they were held on our balance sheet less any amount recovered.

Investments

Long-term investments are carried at cost. However, the provision for diminution in the value of such long-term investments is made to recognize a decline other than temporary declines in the value of such investments. Current investments are carried at the lower of cost and fair value determined on an individual basis for each of such investment.

Inventory Valuation

Raw materials, components, stock in process and finished goods are valued at cost or net realizable value, whichever is lower. Finished goods at factory premises and depots are valued at the lower of cost or net realizable value after including excise duty. Stores, spares and consumables are valued at cost except certain for spares which are valued at cost or its fair value, whichever is lower. Goods or materials in transit are valued at cost to date.

Cost comprises the cost of purchase, cost of conversion and other cost incurred in bringing the inventory to present location and condition. Cost is arrived at on a weighted average basis. Stock for demonstration lying with third parties at sites is valued at the estimated value of its useful life in relation to its original cost at the time of transfer to the third party.

Provisions

Provisions are recognized when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made to settle the obligation. Provisions are not discounted to present value and are determined based on the last estimate required to settle the obligation. These are reviewed at each year end and adjusted to reflect the best current estimates.

Foreign Currency Derivative Contracts

We are exposed to foreign currency fluctuations on foreign currency assets and liabilities and forecasted cash flows denominated in foreign currency. In order to limit the effects of foreign exchange rate fluctuations, we enter into derivative contracts, such as forward contracts and swap contracts, with banks, in accordance with our risk management policies.

In the absence of any specific accounting treatment prescribed under Indian GAAP to such derivative contracts, other than forward contracts, we apply the principles set out in Accounting Standard 30 — Financial Instruments — Recognition and Measurement issued by The Institute of Chartered Accountants of India for such instruments, to the extent they do not conflict with applicable accounting standards and other authoritative pronouncements under Indian company laws and other regulatory requirements.

Accordingly, we record the gain or loss on effective hedges in the hedging reserve until the transactions are complete. On completion, the gain or loss is transferred to the statement of profit and loss for that period. To designate a contract as an effective hedge, management evaluates at the inception of each contract whether the contract is effective in achieving the setting off of cash flows attributable to the hedged risk. In the absence of a designation as an effective hedge, the gain or loss is immediately recognized in the statement of profit and loss.

Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable certainty that the grant or subsidy will be received and all attaching conditions are complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds. Revenue grants are recognized in the statement of profit and loss in accordance with the related scheme and in the period in which these are accrued.

Components of Our Income and Expenditures under Indian GAAP

The following describes the components of our income and expenditures under Indian GAAP with respect to the Audited Financial Statements.

Revenue

Revenue from Operations

The following table sets forth a breakdown of revenue from operations for the periods indicated:

	Fiscal Year					
	2014		2015		2016	
	(audited) (in millions of Rs. except percentages)					
Sale of products	64,912.0	108.4%	67,452.3	106.9%	70,344.6	109.0%
Sales returns	(1,063.1)	(1.8%)	(988.9)	(1.6%)	(1,091.8)	(1.7%)
Other discounts and allowances	(5,284.8)	(8.8%)	(6,006.0)	(9.5%)	(6,333.6)	(9.8%)
Sale of services	472.2	0.8%	1,616.6	2.6%	922.3	1.4%
Other operating revenues						
Incentives and assistance	823.2	1.4%	1,018.6	1.6%	672.0	1.0%
Total revenue from operations	**59,859.5**	**100.0%**	**63,092.6**	**100.0%**	**64,513.5**	**100.0%**

Sale of products comprises the sale of all of the products we produce.

Our sale of products is reduced by sales returns and other discounts and allowances. In the normal course of business we accept sales returns from our dealers/distributors or customers for various reasons, including damage in transit, wrong delivery and manufacturing defects under warranties. We accept returns only on a freight paid basis with all necessary documentation. Against the sales return, after applicable deductions, we issue a credit note which can only be used against further sales.

Sale of services comprises the sale of business auxiliary services, installation charges, erection and commission charges and solar renewable energy incentives.

Incentives and assistance comprises sales export incentives and income under incentive schemes.

Excise Duty

Sales or stock transfer of piping systems (except piping systems sold along with MIS products) and precision farming products are subject to excise duty which amounts to 12.5% of the sales value of such product. Sales or stock transfer of PVC sheets sold in India are subject to excise duty which amounts to 18.28% of the sales value of such product. In addition, sales or stock transfer of our agro-processed products (except for certain dehydrated onion products and certain processed fruit products) are subject to excise duty which amounts to 6% of the sales value of such product. Excise duty is not chargeable on MIS products.

Other Income

Other income comprises (i) interest on deposits and others; (ii) provisions no longer required; (iii) profit on sale of business; and (iv) miscellaneous income which represents scrap sale, rent, credit balance written back and others.

Expenses

The following table sets forth our total expenses as well as the percentage of total expenses represented by each category of total expenses for the periods indicated:

	Fiscal Year					
	2014		2015		2016	
	(audited) (in millions of Rs. except percentages)					
Cost of material consumed	33,910.4	59.2%	35,617.7	58.5%	35,699.3	57.4%
Changes in inventories of finished goods and work-in-progress	(501.9)	(0.9%)	(1,160.9)	(1.9%)	(693.1)	(1.1%)
Employee benefit expenses	6,141.3	10.7%	6,658.4	10.9%	6,683.8	10.7%
Finance costs	4,676.5	8.2%	4,692.8	7.7%	4,768.8	7.7%
Depreciation and amortization expense	2,045.4	3.6%	2,440.6	4.0%	2,635.8	4.2%
Other expenses	11,404.7	19.9%	12,760.9	21.0%	13,163.9	21.2%
Cost of self-generated capital equipment	(372.9)	(0.7%)	(146.7)	(0.2%)	(79.3)	(0.1%)
Total expenses	**57,303.5**	**100.0%**	**60,862.7**	**100.0%**	**62,179.2**	**100.0%**

Cost of Material Consumed

Cost of material consumed represents the cost of the raw materials required for our manufacturing operations and is measured using the value of our stock of raw materials and components at the beginning of the accounting period plus raw materials and components purchased during such period (or portion thereof) less the closing stock.

Changes in Inventories of Finished Goods and Work-in-Progress

Change in inventories of finished goods and work-in-progress includes the increase or decrease, as the case may be, of inventory, which represents the difference between the value of stock of finished goods (excluding materials in transit) and work-in-progress on the last day of the period as compared with the first day of the period.

Employee Benefit Expenses

Employee benefit expenses include salaries, wages and bonuses, gratuities, contributions to provident and other funds, gratuity expenses and staff welfare expenses.

Finance Costs

Finance costs include (i) interest expenses on term loans, working capital loans and others and (ii) other borrowing costs, which comprises discounting charges and interest and bank commission and charges.

Depreciation and Amortization Expense

Depreciation and amortization expense primarily comprises the depreciation of assets, including property, plant and equipment, furniture, vehicles, shed house, fixtures and buildings and the amortization of intangible assets such as goodwill, technical knowledge development costs, trademarks and computer software.

Other Expenses

Other expenses primarily include: (i) power and fuel; (ii) freight; (iii) processing charges; (iv) rent; (v) project site general expenses; (vi) travelling and conveyance expenses; (vii) consumption of stores and spare parts; (viii) export selling expenses; (ix) legal and professional consultancy fees; (x) cash discount; (xi) agency charges for installation; (xii) commission and brokerage; (xiii) advertisement and sales promotion expenses; (xiv) irrecoverable claims; and (xv) miscellaneous expenses, which represent factory general expenses, office general expenses, electricity offices and depots, printing and stationery expenses, material handling expenses and others.

Cost of Self-generated Capital Equipment

Cost of self-generated capital equipment is a reduction in expenses to account for equipment costs we produce ourselves through our subsidiaries.

Exceptional Items

Exceptional items comprise gain or loss on foreign currency transaction and translation.

Tax Expenses

Our tax expenses comprise current tax and deferred tax. Current tax expenses consist of tax payable by us based on our taxable income for the fiscal year computed using prevailing rates taking into account benefits provided under applicable rules. Deferred tax expense/(benefit) consists of the movement of differences between the accounting value and the tax value of assets and liabilities at each balance sheet date and reversal of temporary differences of earlier fiscal years for items such as depreciation and amortization, provision for leave encashment and gratuity, amount disallowed on payment basis and accumulated losses as per tax laws.

Prior Period Expenses

Prior period expenses include expenses or income adjustments that relate to a prior period.

Components of Our Income and Expenditures under Ind AS

The following describes the components of our income and expenditures under Ind AS with respect to the Unaudited Financial Statements.

Total Income from Operations (Net)

Total income from operations (net) comprises sales/income from operations and other operating income. Sales/income from operations comprise the sale of hi-tech agri input products, plastic products, agro-processed products and others and excise duty on such sales.

Other operating income comprises: (i) incentives and assistance; (ii) fair value changes of biological assets; and (iii) other items such as sale of scrap.

Expenses

Expenses comprise: (i) cost of materials consumed, (ii) changes in inventories of finished goods, work-in-progress and stock-in-trade including biological assets, (iii) excise duty on sales, (iv) employees benefits expense, (v) depreciation and amortization expenses, (vi) manufacturing expenses, (vii) selling and distribution expenses, (viii) administrative and other expenses, (ix) foreign exchange fluctuation loss (gain) and (x) cost of self-generated capital equipment.

Cost of Materials Consumed

Cost of material consumed represents the cost of the raw materials required for our manufacturing operations and is measured using the value of our stock of raw materials and components at the beginning of the accounting period plus raw materials and components purchased during such period (or portion thereof) less the closing stock.

Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade including Biological Assets

Change in inventories of finished goods, work-in-progress and stock-in-trade including biological assets include the increase or decrease, as the case may be, of inventory, which represents the difference between the value of stock of finished goods (excluding materials in transit), work-in-progress, stock-in-trade and goods under acceptance including biological assets on the last day of the period as compared with the first day of the period.

Excise Duty on Sales

Sales or stock transfer of piping systems (except piping systems sold along with MIS products) and precision farming products are subject to excise duty which amounts to 12.5% of the sales value of such product. Sales or stock transfer of PVC sheets sold in India are subject to excise duty which amounts to 18.28% of the sales value of such product. In addition, sales or stock transfer of our agro-processed products (except for certain dehydrated onion products and certain processed fruit products) are subject to excise duty which amounts to 6% of the sales value of such product. Excise duty is not chargeable on MIS products.

Employees Benefits Expense

Employee benefit expense includes salaries, wages and bonuses, gratuities, contributions to provident and other funds, gratuity expenses and staff welfare expenses.

Depreciation and Amortization Expenses

Depreciation and amortization expense primarily comprises the depreciation of assets, including property, plant and equipment, furniture, vehicles, shed house, fixtures and buildings and the amortization of intangible assets such as goodwill, technical knowledge development costs, trademarks and computer software.

Manufacturing Expenses

Manufacturing expenses primarily comprise power and fuel expenses, consumption of stores and spares, processing charges and project site general expenses.

Selling and Distribution Expenses

Selling and distribution expenses primarily comprise freight, commission and brokerage fees, advertisement and sales promotion expenses, export selling expenses and cash discount.

Administrative and Other Expenses

Administrative and other expenses primarily comprise rent, insurance, travelling and conveyance, repairs and maintenance, vehicle expenses, legal, professional and consultancy charges.

Foreign Exchange Fluctuation Loss (Gain)

Foreign exchange fluctuation loss (gain) primarily comprises loss (gain) on foreign currency transactions and translation.

Cost of Self-Generated Capital Equipment

Cost of self-generated capital equipment is a reduction in expenses to account for equipment costs we produce ourselves through THE Machines.

Other Income

Other income comprises interest and other income. Interest primarily comprises interest on deposits. Other income includes profit on sale of investments, provisions no longer required and miscellaneous income.

Finance Costs

Finance costs include (i) interest expenses on term loans, working capital loans and others and (ii) other borrowing costs, which comprises discounting charges and interest and bank commission and charges.

Tax Expenses

Our tax expenses comprise current tax and deferred tax. Current tax expenses consist of tax payable by us based on our taxable income for the fiscal period computed using prevailing rates taking into account benefits provided under applicable rules. Deferred tax expense/(benefit) consists of the movement of differences between the accounting value and the tax value of assets and liabilities at each balance sheet date and reversal of temporary differences of earlier fiscal periods for items such as depreciation and amortization, provision for leave encashment and gratuity, amount disallowed on payment basis and accumulated losses as per tax laws.

Share of Profit in Associate Company

Share of profit in associate company comprises our share of profit in SAFL.

Minority Interest

Minority interest comprises share in profit of minority shareholder of Pro Tool AG, JFFFL and Driptech India Pvt Ltd.

Other Comprehensive Income (Net of Tax)

Other comprehensive income (net of tax) comprises actuarial gains or losses arising from remeasurements of defined benefit plans and applicable taxes thereon, and foreign exchange differences on translations of foreign operations.

Geographical Segments

For our financial reporting, we classify our business into four geographical segments: India, Europe, the United States and the rest of the world.

The following table sets forth a breakdown of net revenue from operations by geographical segments for the periods indicated:

	Fiscal Year					
	2014		2015		2016	
	(audited) (in millions of Rs. except percentages)					
India	31,649.8	54.3%	33,524.7	54.5%	33,613.7	53.5%
Europe	9,873.1	16.9%	12,438.2	20.2%	12,309.6	19.6%
United States	5,759.2	9.9%	6,028.5	9.8%	7,664.9	12.2%
Rest of the world	10,999.3	18.9%	9,535.2	15.5%	9,283.1	14.8%
Net revenue from operations	**58,281.3**	**100.0%**	**61,526.5**	**100.0%**	**62,871.3**	**100.0%**

The following table sets forth a breakdown of total income from operations (net) by geographical segments for the periods indicated:

	Six Months Ended September 30			
	2015		2016	
	(unaudited) (in millions of Rs. except percentages)			
India	16,576.0	55.4%	17,416.5	54.8%
Europe	5,695.0	19.0%	5,972.5	18.8%
North America	3,239.0	10.8%	3,643.9	11.5%
Rest of the World	4,396.4	14.7%	4,745.0	14.9%
Total income from operations (net)	**29,906.5**	**100.0%**	**31,778.0**	**100.0%**

Business Segments

For the preparation of the Audited Financial Statements, we classified our business into three segments: hi-tech agri input products, industrial products and non-conventional energy. Our hi-tech agri input products segment comprises the following key business lines: MIS products, PVC pipes and fittings and cultivated tissue culture plants. Our industrial products segment comprises the following key business lines: PE pipes and fittings, PVC sheets, dehydrated onion and vegetable products and processed fruit products. Our non-conventional energy segment comprises the following key business lines: wind, solar and bio-gas energy.

The following table sets forth a breakdown of net sales income from operations by business segments for fiscal years 2014, 2015 and 2016:

	Fiscal Year					
	2014		2015		2016	
	(audited) (in millions of Rs. except percentages)					
Hi-tech agri input products	36,346.7	62.4%	38,316.0	62.3%	37,695.7	60.0%
Industrial products	20,164.9	34.6%	21,944.4	35.7%	23,826.0	37.9%
Non-conventional energy	1,769.7	3.0%	1,266.1	2.1%	1,349.6	2.1%
Net sales income from operations	**58,281.3**	**100.0%**	**61,526.5**	**100.0%**	**62,871.3**	**100.0%**

Effective from April 1, 2016, we began preparing our financial information under Ind AS, and pursuant to this change in accounting standards, we have classified our business into four segments for the preparation of our Unaudited Financial Statements, namely, hi-tech agri input products division, plastic division, agro processing division and other business division. The hi-tech agri input products segment comprises (i) MIS products, (ii) solar pumping systems, (iii) integrated irrigation projects, (iv) cultivated tissue culture plants, (v) precision farming products and (vi) advisory services. The plastic products segment comprises (i) piping systems, (ii) PVC sheets and (iii) turnkey services. The agro-processes products segment comprises (i) dehydrated onion and vegetable products, (ii) processed fruit products and (iii) biogas power generation. The other business segment comprises (i) renewable energy systems, (ii) solar power generation and (iii) equipment manufacturing.

The following table sets forth a breakdown of total income from operations (net) by business segments for the six months ended September 30, 2015 and 2016:

	Six Months Ended September 30			
	2015		2016	
	(unaudited) (in millions of Rs. except percentages)			
Hi-tech agri input products division	14,249.8	47.6%	14,651.6	46.1%
Plastic division	7,798.2	26.1%	8,683.1	27.3%
Agro processing division	7,137.9	23.9%	7,560.0	23.8%
Other business division	720.6	2.4%	883.3	2.8%
Total	**29,906.5**	**100.0%**	**31,778.0**	**100.0%**
Less: inter segment revenue	—	0.0%	—	0.0%
Total income from operations (net)	**29,906.5**	**100.0%**	**31,778.0**	**100.0%**

Results of Operations

The following discussion is a discussion of our results of operations from each of our business segments.

Six Months Ended September 30, 2016 Compared to the Six Months Ended September 30, 2015

Total Income from Operations (Net)

Total income from operations (net) was Rs.31,778.0 million for the six months ended September 30, 2016, a 6.3% increase from Rs.29,906.5 million for the six months ended September 30, 2015.

Sales/Income from Operations

Sales/income from the sale of hi-tech agri input products were Rs. 14,651.6 million for the six months ended September 30, 2016, a 2.8% increase from Rs.14,249.8 million for the six months ended September 30, 2015, primarily due to an increase in the sales of MIS products in Israel and India during the three months ended September 30, 2016. This was partially offset by lower sales in India during the three months ended June 30, 2016 primarily due to the lower availability of water during the early part of the year in the key regions for our business, such as Maharashtra and a decrease in revenue from integrated irrigation projects due to the delay in the execution of such projects.

Sales/income from the sale of plastic products were Rs.8,683.1 million for the six months ended September 30, 2016, a 11.3% increase from Rs.7,798.2 million for the six months ended September 30, 2015, primarily due to the growth in sales of PE pipes and fittings in India which we sold to corporate and industrial customers and as part of our turnkey supplies and/or services.

Sales/income from the sale of agro-processed products were Rs.7,560.0 million for the six months ended September 30, 2016, a 5.9% increase from Rs.7,137.9 million for the six months ended September 30, 2015, primarily due to strong performance from our overseas operations in the United States and Europe resulting from better offtake by our customers, partially offset by lower sales in our Indian business.

Sales/income from the sale of others were Rs.883.3 million for the six months ended September 30, 2016, a 22.6% increase from Rs.720.6 million for the six months ended September 30, 2015, primarily due to an increase in the sales of PV solar panels.

Other Operating Income

Other operating income was Rs.420.8 million for the six months ended September 30, 2016, a 47.6% increase from Rs.285.0 million for the six months ended September 30, 2015, primarily due to changes in the fair value of biological assets and underlying inventory.

Expenses

Total expenses were Rs.28,955.2 million for the six months ended September 30, 2016, a 4.6% increase from Rs.27,673.5 million for the six months ended September 30, 2015.

Cost of Materials Consumed

Cost of materials consumed was Rs.20,028.5 million for the six months ended September 30, 2016, a 10.9% increase from Rs.18,052.5 million for the six months ended September 30, 2015.

Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade including Biological Assets

Changes in inventories of finished goods, work-in-progress and stock-in-trade including biological assets were Rs.3,689.8 million for the six months ended September 30, 2016, a 84.6% increase from Rs.1,999.2 million for the six months ended September 30, 2015.

Our cost of materials consumed and changes in inventories of finished goods, work-in-progress and stock-in-trade including biological assets together constitute our cost of goods sold. Cost of goods sold as a percentage of total revenue decreased from 54.2% in the six months ended September 30, 2015 to 52.1% in the six months ended September 30, 2016, primarily due to lower raw material costs.

Excise Duty on Sales

Excise duty on sales was Rs.813.6 million for the six months ended September 30, 2016, a 4.6% increase from Rs.778.1 million for the six months ended September 30, 2015, primarily due to higher sales of piping systems on which a comparatively higher rate of excise duty was charged.

Employees Benefits Expense

Employees benefits expense was Rs.3,617.1 million for the six months ended September 30, 2016, a 17.5% increase from Rs.3,079.1 million for the six months ended September 30, 2015, primarily due to increases in salaries to employees.

Depreciation and Amortization Expenses

Depreciation and amortization expenses were Rs.1,424.8 million for the six months ended September 30, 2016, a 8.6% increase from Rs.1,311.6 million for the six months ended September 30, 2015 in line with changes in our in fixed assets.

Manufacturing Expenses

Manufacturing expenses were Rs.2,814.5 million for the six months ended September 30, 2016, a 0.8% increase from Rs.2,793.0 million for the six months ended September 30, 2015. Manufacturing expenses decreased from 9.4% of total revenue in the six months ended September 30, 2015 to 9.0% of total revenue in the six months ended September 30, 2016. This was primarily due to lower manufacturing expenses and operating efficiencies.

Selling and Distribution Expenses

Selling and distribution expenses were Rs.2,059.7 million for the six months ended September 30, 2016, a 13.2% increase from Rs.1,819.7 million for the six months ended September 30, 2015, primarily due to increased spending on commissions and discounts and other selling expenses.

Administrative and Other Expenses

Administrative and other expenses were Rs.2,056.1 million for the six months ended September 30, 2016, a 14.3% increase from Rs.1,799.3 million for the six months ended September 30, 2015, primarily due to an increase in rent, maintenance and other overhead costs.

Foreign Exchange Fluctuation Loss (Gain)

We recorded a foreign exchange fluctuation gain of Rs.145.9 million for the six months ended September 30, 2016, compared to a foreign exchange fluctuation loss of Rs.40.4 million for the six months ended September 30, 2015, primarily due to the appreciation of the Indian rupee.

Cost of Self-Generated Capital Equipment

Cost of self-generated capital equipment was Rs.23.4 million for the six months ended September 30, 2016 compared to Rs.1.0 million for the six months ended September 30, 2015, primarily due to increased intercompany transactions with our subsidiary, THE Machines.

Other Income

Other income was Rs.276.1 million for the six months ended September 30, 2016, a 33.2% increase from Rs.207.3 million for the six months ended September 30, 2015.

Interest

Interest was Rs.53.2 million for the six months ended September 30, 2016, a 47.7% decrease from Rs.101.7 million for the six months ended September 30, 2015, primarily due to a decrease in deposits.

Other

Other income was Rs.222.9 million for the six months ended September 30, 2016, a 111.1% increase from Rs.105.6 million for the six months ended September 30, 2015, primarily due to an increase in provisions no longer required.

Finance Costs

Finance costs was Rs.2,285.9 million for the six months ended September 30, 2016, a 5.7% decrease from Rs.2,422.9 million for the six months ended September 30, 2015, primarily due to repayment of certain loans out of the proceeds of an equity issuance in March 2016.

Tax Expenses

Deferred tax credit was Rs.89.6 million for the six months ended September 30, 2016, a 56.1% increase from Rs. 57.4 million for the six months ended September 30, 2015.

Net Profit for the Period

As a result of the foregoing, net profit for the period was Rs.902.6 million for the six months ended September 30, 2016, a 1,106.7% increase from Rs.74.8 million for the six months ended September 30, 2015.

Share of Profit in Associate Company

Share of profit in associate company was Rs.14.0 million for the six months ended September 30, 2016, a 14.1% decrease from Rs.16.3 million for the six months ended September 30, 2015, primarily due to corresponding changes in the profits of SAFL.

Minority Interest

Minority interest was Rs.5.09 million for the six months ended September 30, 2016 compared to nil for the six months ended September 30, 2015, primarily due to investment by funds/entities managed by Mandala Capital in JFFFL during March 2016.

Other Comprehensive Income (Net of Tax)

We recorded another comprehensive expense (net of tax) of Rs.77.9 million for the six months ended September 30, 2016, compared to other comprehensive income (net of tax) of Rs.74.4 million for the six months ended September 30, 2015, primarily due to movements in actuarial valuations of defined benefit plans and changes in foreign currency translation reserve.

Total Comprehensive Income (After Tax)

As a result of the foregoing, total comprehensive income (after tax) was Rs.787.8 million for the six months ended September 30, 2016, a 376.0% increase from Rs.165.5 million for the six months ended September 30, 2015.

Fiscal Year 2016 Compared to Fiscal Year 2015

Revenue

Revenue from Operations

Revenue from operations was Rs.64,513.5 million for fiscal year 2016, a 2.3% increase from Rs.63,092.6 million for fiscal year 2015.

Excise Duty

Excise duty was Rs.1,642.2 million for fiscal year 2016, a 4.9% increase from Rs.1,566.1 million for fiscal year 2015, primarily due to higher sales of piping systems on which a comparatively higher rate of excise duty was charged, as well as a change in our sales mix during the year.

Net Revenue from Operations

As a result of the foregoing, net revenue from operations was Rs.62,871.3 million for fiscal year 2016, a 2.2% increase from Rs.61,526.5 million for fiscal year 2015.

Net revenue from sales of hi-tech agri input products was Rs.37,695.7 million for fiscal year 2016, a 1.6% decrease from Rs.38,316.0 million for fiscal year 2015, primarily due to lower sales in India on account of sluggish agro-climatic conditions resulting from drought-like conditions and low water levels throughout much of India which reduced sales of irrigation equipment.

Net revenue from sales of industrial products was Rs.23,826.0 million for fiscal year 2016, a 8.6% increase from Rs.21,944.4 million for fiscal year 2015, primarily due to significant growth in the PE pipe division.

Net revenue from sales of non-conventional energy was Rs.1,349.6 million for fiscal year 2016, a 6.6% increase from Rs.1,266.1 million for fiscal year 2015, primarily due to better performance by the solar division.

Other Income

Other income was Rs.465.6 million for fiscal year 2016, a 13.6% increase from Rs.410.0 million for fiscal year 2015, primarily due to provision no longer required being Rs.96.4 million in fiscal year 2016 compared to Rs.31.7 million in fiscal year 2015.

Expenses

Cost of Material Consumed

Cost of material consumed was Rs.35,699.3 million for fiscal year 2016, a 0.2% increase from Rs.35,617.7 million for fiscal year 2015.

Changes in Inventories of Finished Goods and Work-in-Progress

Changes in inventories of finished goods and work-in-progress were Rs.693.1 million for fiscal year 2016, a 40.3% decrease from Rs.1,160.9 million for fiscal year 2015.

Our cost of material consumed and changes in inventories of finished goods and work-in-progress together constitute our cost of goods sold. Our cost of goods sold as a percentage of net revenue from operations decreased to 55.7% of revenue from operations for fiscal year 2016 from 56.0% for fiscal year 2015, primarily as a result of lower raw material costs.

Employee Benefit Expenses

Employee benefit expenses were Rs.6,683.8 million for fiscal year 2016, a 0.4% increase from Rs.6,658.4 million for fiscal year 2015.

Finance Costs

Finance costs were Rs.4,768.8 million for fiscal year 2016, a 1.6% increase from Rs.4,692.8 million for fiscal year 2015, primarily due to higher utilization of banking facilities during fiscal year 2016.

Depreciation and Amortization Expense

Depreciation and amortization expense was Rs.2,635.8 million for fiscal year 2016, a 8.0% increase from Rs.2,440.6 million for fiscal year 2015, primarily due to changes in accounting initiated by the Parent Guarantor relating to capitalization and componentization of assets which resulted in higher depreciation.

Other Expenses

Other expenses were Rs.13,163.9 million for fiscal year 2016, a 3.2% increase from Rs.12,760.9 million for fiscal year 2015, primarily due to higher project site general expenses mainly relating to expenses from completing projects and higher processing charges resulting from new borrowings, partially offset by a decrease in commissions and brokerage and irrecoverable claims.

Cost of Self-generated Capital Equipment

Cost of self-generated capital equipment was Rs.79.3 million for fiscal year 2016, a 45.9% decrease from Rs.146.7 million for fiscal year 2015, primarily due to changes in the volume of intercompany transactions with our subsidiary, THE Machines.

Exceptional Items

Exceptional items were Rs.190.6 million for fiscal year 2016, a 75.0% decrease from Rs.763.0 million for fiscal year 2015, primarily due to lower loss on foreign currency transaction and translation, partially resulting from our exercising of an option given in AS 11 to capitalize exchange differences arising on long-term foreign currency monetary items relating to depreciable assets during fiscal year 2016.

Tax Expenses

Current tax was Rs.24.1 million for fiscal year 2016, a 69.0% decrease from Rs.77.7 million for fiscal year 2015, primarily due to lower current tax applicable to our Israeli and U.S. subsidiaries as well as application of a minimum alternate tax credit which reduced our Indian tax during fiscal year 2016.

We recorded a deferred tax expense of Rs.84.6 million for fiscal year 2016, compared to a deferred tax benefit of Rs.316.8 million for fiscal year 2015, primarily due to changes in the available carry-forward losses and fixed assets on account of our slump sale of our agro processing business to JFFFL, a subsidiary of the Parent Guarantor.

Profit After Tax

As a result of the foregoing, profit after tax was Rs.858.5 million for fiscal year 2016, a 56.1% increase from Rs.549.9 million for fiscal year 2015.

Prior Period Expenses

Prior period expenses were Rs.0.1 million for fiscal year 2016, a 97.7% decrease from Rs.4.4 million for fiscal year 2015, primarily due to lower expenses and income adjustments relating to prior periods.

Profit for the Year

As a result of the foregoing, profit for the year was Rs.882.7 million for fiscal year 2016, a 59.4% increase from Rs.553.9 million for fiscal year 2015.

Fiscal Year 2015 Compared to Fiscal Year 2014

Revenue

Revenue from Operations

Revenue from operations was Rs.63,092.6 million for fiscal year 2015, a 5.4% increase from Rs.59,859.5 million for fiscal year 2014.

Excise Duty

Excise duty was Rs.1,566.1 million for fiscal year 2015, a 0.8% decrease from Rs.1,578.2 million for fiscal year 2014.

Net Revenue from Operations

As a result of the foregoing, net revenue from operations was Rs.61,526.5 million for fiscal year 2015, a 5.6% increase from Rs.58,281.3 million for fiscal year 2014.

Net revenue from sales of hi-tech agri input products was Rs.38,316.0 million for fiscal year 2015, a 5.4% increase from Rs.36,346.7 million for fiscal year 2014, primarily due to significant growth in the micro irrigation business in India, partially offset by a decrease in PVC pipe sales in India and overseas irrigation sales.

Net revenue from sales of industrial products was Rs.21,944.4 million for fiscal year 2015, a 8.8% increase from Rs.20,164.9 million for fiscal year 2014, primarily due to significant growth in the food processing business in India partially offset by a decrease in sales of PE pipes and sheets.

Net revenue from sales of non-conventional energy was Rs.1,266.1 million for fiscal year 2015, a 28.5% decrease from Rs.1,769.7 million for fiscal year 2014, primarily due to lower sales of solar appliances.

Other Income

Other income was Rs.410.0 million for fiscal year 2015, a 11.4% decrease from Rs.463.0 million for fiscal year 2014, primarily due to a decrease in profit on sale of business on slump sale partially offset by an increase in net interest on deposits and others.

Expenses

Cost of Material Consumed

Cost of material consumed was Rs.35,617.7 million for fiscal year 2015, a 5.0% increase from Rs.33,910.4 million for fiscal year 2014.

Changes in Inventories of Finished Goods and Work-in-Progress

Changes in inventories of finished goods and work-in-progress were Rs.1,160.9 million for fiscal year 2015, a 131.3% increase from Rs.501.9 million for fiscal year 2014.

Our cost of material consumed and changes in inventories of finished goods and work-in-progress together constitute our cost of goods sold. Our cost of goods sold as a percentage of net revenue from operations increased to 56.0% of revenue from operations for fiscal year 2015 from 57.3% for fiscal year 2014, primarily as a result of an increase in oil prices during the year, which led to an increase in the price of raw materials.

Employee Benefit Expenses

Employee benefit expenses were Rs.6,658.4 million for fiscal year 2015, a 8.4% increase from Rs.6,141.3 million for fiscal year 2014, which was in line with the increase in sales.

Finance Costs

Finance costs were Rs.4,692.8 million for fiscal year 2015, a 0.3% increase from Rs.4,676.5 million for fiscal year 2014, primarily due to higher interest expenses which were mostly offset by lower discounting charges.

Depreciation and Amortization Expense

Depreciation and amortization expense was Rs.2,440.6 million for fiscal year 2015, a 19.3% increase from Rs.2,045.4 million for fiscal year 2014, primarily due to changes in the estimated useful lives of tangible assets resulting from implementation of the Companies Act, 2013.

Other Expenses

Other expenses were Rs.12,760.9 million for fiscal year 2015, a 11.9% increase from Rs.11,404.7 million for fiscal year 2014, primarily due to an increase in project site general expenses resulting from higher project sales and an increase in cash discount as a result of higher MIS sales in India, partially offset by a decrease in consumption of stores and spare parts.

Cost of Self-generated Capital Equipment

Cost of self-generated capital equipment was Rs.146.7 million for fiscal year 2015, a 60.7% decrease from Rs.372.9 million for fiscal year 2014, primarily due to changes in the volume of intercompany transactions with our subsidiary, THE Machines.

Exceptional Items

Exceptional items were Rs.763.0 million for fiscal year 2015, a 66.8% decrease from Rs.2,300.4 million for fiscal year 2014, primarily due to lower loss on foreign currency transaction and translation.

Tax Expenses

Current tax was Rs.77.7 million for fiscal year 2015, a 66.7% decrease from Rs.233.0 million for fiscal year 2014, primarily due to lower taxable income during fiscal year 2015 and application of a minimum alternate tax credit which reduced our Indian tax during fiscal year 2015.

Deferred tax benefit was Rs.316.8 million for fiscal year 2015, a 54.4% decrease from Rs.694.7 million for fiscal year 2014, primarily due to the creation of deferred tax assets in fiscal year 2015 primarily due to income tax losses recorded in the year and transitional effects of the fair value of fixed assets and depreciation.

Profit (Loss) After Tax

As a result of the foregoing, we recorded a profit after tax of Rs.549.9 million compared to a loss after tax of Rs.397.9 million for fiscal year 2014.

Prior Period Expenses

Prior period expenses were Rs.4.4 million for fiscal year 2015, compared to nil for fiscal year 2014, primarily due to higher expenses and income adjustments relating to prior periods.

Profit (Loss) for the Year

As a result of the foregoing, we recorded a profit for the year of Rs.553.9 million for fiscal year 2015 compared to a loss for the year of Rs.398.2 million for fiscal year 2014.

Liquidity and Capital Resources

Our financial condition and liquidity has been and will continue to be influenced by a variety of factors, including:

- our ability to generate cash flow from our operating activities;
- our ability to obtain financing when required;
- the level of our outstanding indebtedness and the interest that we are obligated to pay on our indebtedness, which together affect our overall finance costs;
- prevailing domestic and international interest rates, which affect our debt service requirements; and
- our cash collection cycle.

Our principal cash requirements consist of the following:

- operating and working capital requirements;
- the servicing of our indebtedness; and
- purchases of capital equipment.

Historically, our operations have been funded through cash flows from operations, borrowings under our short-term and long-term debt facilities and issuance of securities. See "Description of Other Indebtedness". As of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016, our cash and bank balances amounted to Rs.1,968.2 million, Rs.3,041.1 million, Rs.3,808.2 million, Rs.2,143.5 million and Rs.1,856.2 million, respectively.

Although we are not in breach of the provisions of our loan agreements as of the date of this Offering Memorandum, in the past, the Parent Guarantor for a period of time was unable to meet certain financial covenants stipulated under the facilities syndicated by International Finance Corporation from developmental financial institutions. Such financial covenants included debt to EBITDA ratios, liabilities to tangible net worth ratios and historical debt service coverage ratios. In addition, the Parent Guarantor made delayed payments under certain financing facilities on a few occasions.

The Parent Guarantor has received waivers from the relevant lenders with respect to all of the foregoing non-compliances. To date, none of our lenders have accelerated any repayment of the loans or enforced any security for any such non-compliance.

See "Risk Factors — Risks Relating to Our Business — We have in the past been unable to comply with certain terms and conditions of our loan agreements, which non-compliance could lead to termination of facilities, acceleration of loans, or cross-defaults, which could have a material, adverse effect on our business, financial condition and results of operations".

Working Capital

We believe that we have adequate working capital for our present requirements, and we expect that if current market conditions prevail, our cash flows from operations, our working capital facility and available cash on hand will be sufficient to fund our operating needs, capital expenditures and debt service obligations for the foreseeable future. We may, however, incur additional indebtedness to finance all or a portion of any capital expenditures. See "— Factors Affecting our Results of Operations — Credit period for MIS products and ability to finance working capital".

Cash Flow from Operating Activities

Our net cash flow used in operating activities for the six months ended September 30, 2016 was Rs.2,209.3 million, consisting of net profit before tax of Rs.827.1 million, adjusted for: (i) finance costs of Rs.2,286.1 million and depreciation and amortization expense of Rs.1,424.8 million; and (ii) cash used in net working capital of Rs.6,428.2 million, which was primarily driven by an increase in inventories of Rs.4,997.7 million and an increase in loans and advances and other assets of Rs.1,300.2 million.

Our net cash flow from operating activities for the six months ended September 30, 2015 was Rs.249.6 million, consisting of net profit before tax of Rs.33.7 million, adjusted for: (i) finance costs of Rs.2,422.8 million, depreciation and amortization expense of Rs.1,311.6 million and unrealized forex gain of Rs.987.4 million; and (ii) cash used in net working capital of Rs.2,765.5 million, which was primarily driven by an increase in inventories of Rs.2,687.7 million, a decrease in trade and other receivables Rs.1,326.5 million and an increase in loans and advances and other assets of Rs.1,089.5 million.

Our net cash flow from operating activities for fiscal year 2016 was Rs.3,298.3 million, consisting of net profit before tax of Rs.967.2 million, adjusted for: (i) interest and finance charges of Rs.4,768.8 million and depreciation and amortization expense of Rs.2,635.8 million; and (ii) cash used in net working capital of Rs.4,413.0 million, which was primarily driven by an increase in trade and other receivables of Rs.3,358.7 million.

Our net cash flow from operating activities for fiscal year 2015 was Rs.6,604.5 million, consisting of net profit before tax of Rs.310.8 million, adjusted for: (i) interest and finance charges of Rs.4,692.8 million and depreciation and amortization expense of Rs.2,440.6 million; and (ii) cash used in net working capital of Rs.867.6 million, which was primarily driven by an increase in trade and other receivables of Rs.1,957.3 million.

Our net cash flow from operating activities for fiscal year 2014 was Rs.5,738.4 million, consisting of net loss before tax of Rs.859.6 million, adjusted for: (i) interest and finance charges of Rs.4,676.5 million, depreciation and amortization expense of Rs.2,045.4 million and unrealized foreign exchange loss of Rs.1,208.3 million; and (ii) cash used in net working capital of Rs.1,543.6 million, which was primarily driven by an increase in loans and advances and other assets of Rs.3,019.7 million and an increase in inventories of Rs.1,133.2 million which was partially offset by a decrease in trade and other receivables of Rs.1,318.6 million and an increase in trade payable, other liabilities and provisions of Rs.1,290.9 million.

Cash Flow used in Investing Activities

Net cash flow used in investing activities for the six months ended September 30, 2016 was Rs.976.0 million. This was primarily due to purchases of fixed assets of Rs.1,067.7 million.

Net cash flow used in investing activities for the six months ended September 30, 2015 was Rs.1,249.6 million. This was primarily due to purchases of fixed assets of Rs.1,027.8 million.

Net cash flow used in investing activities for fiscal year 2016 was Rs.2,853.9 million. This was primarily due to purchases of fixed assets (including changes in capital work in progress and capital advances and investments) of Rs.2,365.9 million.

Net cash flow used in investing activities for fiscal year 2015 was Rs.2,279.7 million. This was primarily due to purchases of fixed assets (including changes in capital work in progress and capital advances and investments) of Rs.2,204.7 million.

Net cash flow used in investing activities for fiscal year 2014 was Rs.2,920.2 million. This was primarily due to purchases of fixed assets (including changes in capital work in progress and capital advances and investments) of Rs.3,321.5 million.

Cash Flow from (used in) Financing Activities

Net cash flow from financing activities for the six months ended September 30, 2016 was Rs.1,236.0 million. This was primarily due to proceeds from working capital borrowings (net) of Rs.3,077.0 million and interest and finance charges paid of Rs.2,139.7 million.

Net cash flow from financing activities for the six months ended September 30, 2015 was Rs.108.1 million. This was primarily due to interest and finance charges paid of Rs.2,391.0 million and proceeds from working capital borrowings (net) of Rs.1,954.8 million.

Net cash flow from financing activities for fiscal year 2016 was Rs.326.6 million. This was primarily due to an increase in net term loans of Rs.3,131.2 million, an investment by minority shareholders of Rs.2,403.1 million and proceeds from the issue of shares of Rs.1,074.8 million, partially offset by interest and finance charges paid of Rs.4,797.5 million and a decrease in net working capital borrowings of Rs.1,191.0 million.

Net cash flow used in financing activities for fiscal year 2015 was Rs.3,254.8 million. This was primarily due to interest and finance charges paid of Rs.4,640.9 million, partially offset by an increase in net term loans of Rs.1,141.9 million.

Net cash flow used in financing activities for fiscal year 2014 was Rs.3,202.0 million. This was primarily due to interest and finance charges paid of Rs.4,637.9 million, partially offset by an increase in net working capital borrowings of Rs.2,048.6 million.

Contractual Obligations

The following table summarizes our contractual obligations as of September 30, 2016:

	Less than 1 year	1-5 years	More than 5 years	Total
	(in millions of Rs.)			
Leasing commitments	373.4	969.6	768.3	2,111.3
Total contractual obligations	**373.4**	**969.6**	**768.3**	**2,111.3**

Contingent Liabilities and Off-Balance Sheet Transactions

Capital Commitments

As of March 31, 2014, 2015 and 2016 we had capital commitments of Rs.515.7 million, Rs.338.4 million, Rs.470.3 million, respectively. This amount is net of capital advances paid in respect of these purchases.

Other Commitments

Exports obligations undertaken by us under the Export Promotion Capital Goods scheme of India to be completed over a period of six years on account of import of capital goods with no import duty and remaining outstanding amounted to Rs.1,009.8 million, Rs.816.5 million Rs.569.6 million, Rs.738.8 million and Rs.607.4 million, as of March 31, 2014, 2015, 2016 and September 30, 2015 and 2016, respectively. These export commitments had been made by us on account of the duty free import of raw materials, for the purposes of export production as allowed under the advance license. Any failure to export such value would lead to payment of duty on the raw material imported earlier duty free under the scheme.

Contingencies

We may become subject to various product liabilities, consumer, commercial, environmental and tax litigations and claims, government investigations and other legal proceedings that may arise in future. We accrue for contingencies to the extent that management concludes their occurrence is probable and the related liabilities are estimable.

Outstanding guarantees furnished by banks on behalf of us in the normal course of business as of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016 were Rs.2,349.5 million, Rs.4,325.5 million, Rs.6,365.3 million, Rs.4,403.2 million and Rs.5,415.1 million, respectively. These outstanding guarantees were furnished on account of performance guarantees in relation to our turnkey services.

Corporate guarantees given by us for the repayment of indebtedness of associates as of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016 were nil, nil, Rs.500.0 million, Rs.500.0 million and Rs.640.0 million, respectively. These corporate guarantees were furnished on account of debt facilities of SAFL.

Bills discounted with consortium banks as of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016 were Rs.932.5 million, Rs.554.2 million, Rs.86.8 million, Rs.901.8 million and Rs.134.7 million, respectively.

The aggregate amount of claims not acknowledged as debt with respect to customs and excise duty as of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016 was Rs.547.3 million, Rs.570.3 million, Rs.584.5 million, Rs.555.5 million and Rs.557.8 million, respectively. The aggregate amount of claims not acknowledged as debt with respect to other taxes and levies as of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016 was Rs.74.4 million, Rs.118.3 million, Rs.214.3 million, Rs.164.3 million and Rs.93.5 million, respectively. Claims not acknowledged as debt comprise duties that remain outstanding for which we have claimed exemption under excise and/or duty benefits. These claims are typically eliminated when we fulfil applicable export obligations relating to such benefits.

Capital expenditures

The following table sets forth our capital expenditure, based on additions to tangible assets, for the periods indicated.

	Fiscal Year			Six Months Ended September 30,	
	2014	2015	2016	2015	2016
	(in millions of Rs.)				
Freehold land	10.5	34.0	102.1	101.9	18.2
Leasehold land	—	—	—	—	—
Factory buildings and warehouse	484.8	457.6	291.5	168.0	390.6
Green/poly/shed houses	103.1	25.3	42.6	—	—
Plant and equipment	2,339.5	1,759.7	1,670.1	930.6	506.3
Furniture and fixtures	32.8	23.5	28.4	25.4	15.8
Vehicles	93.5	22.9	31.9	4.1	18.7
Office equipment	50.2	21.5	11.6	3.6	26.4
Leasehold improvements	177.0	14.6	35.8	28.5	13.8
Total	**3,291.4**	**2,359.1**	**2,214.0**	**1,262.1**	**989.8**

Subject to external market conditions, we anticipate that our capital expenditures in fiscal year 2017 and 2018 will be comparable to our capital expenditures for prior periods and that such capital expenditures will be financed by internal accruals and bank facilities.

We cannot assure you that our capital expenditure budget will not vary or can be financed on commercial acceptable terms, or at all. Our ability to obtain adequate financing, including new facilities, to satisfy our capital expenditures, contractual obligations and debt service requirements may be limited by our financial condition and results of operation and liquidity of domestic and international financial markets. See "Risk Factors — Risks Relating to Our Business — We require substantial amounts of capital for our business operations, and the failure to obtain, or unfavorable terms under which we are able to obtain, needed capital may materially and adversely affect our growth prospects and future profitability".

Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Exchange Rate Risk

We maintain our accounting records and prepare our financial statements in Indian rupees. We receive part of our income in Indian rupees while our international sales and foreign investments are denominated in U.S. dollars and other foreign currencies such as the British pound, Euro and Israeli shekel. We derived approximately 45.1% of our total revenue for the six months ended September 30, 2016 and 46.5% of our total revenue in fiscal year 2016 from sales denominated in currencies other than the Indian rupee. We also make payments in foreign currency for imports of raw materials, consumables, spares and stores and capital expenditure and interest on our foreign currency borrowing. Currently, we believe our foreign currency expenses are roughly offset by our foreign currency income. However, if the percentage of international sales changed or our imports of raw materials changed, we may be exposed to currency risk. We also mark-to-market our forward contracts and swap contracts which amounted to US$27.5 million, CHF1.2 million and €0.2 million as of September 30, 2016.

We use forward contracts and swap contracts primarily to partially hedge our foreign currency borrowings and export receivables. Nevertheless, we do not hedge against all of our foreign exchange risks and so a weakening of the Indian rupee against the U.S. dollar and other major foreign currencies may have an adverse effect on our cost of borrowing and consequently may increase the cost of financing our capital expenditures.

Changes in exchange rates can influence the value of our foreign currency borrowings in our balance sheet. For our foreign currency borrowings, we apply AS 11 and applicable Ind AS provisions and mark them to market, resulting in a gain or loss depending or the appreciation or depreciation of the Indian rupee relative to the U.S. dollar, which is the primary currency of our foreign currency borrowings and the other currencies under which we have foreign currency borrowings. During fiscal year 2016, we exercised an option given in AS 11 whereby exchange differences arising on long-term foreign currency monetary items relating to depreciable assets are capitalized under fixed assets and depreciated over the remaining life of such assets. Accordingly, some amounts which previously would have been recognized as foreign currency gains or losses in the profit and loss account for the current year will be capitalized going forward and depreciated over the estimated remaining useful life of the relevant asset to which such losses pertain. We currently do not hedge our short-term (less than one year) foreign currency borrowings. As of March 31, 2016 and September 30, 2016, approximately 49.9% and 49.2%, of our borrowings were denominated in foreign currencies, and of these amounts 37.9% and 36.4%, were denominated in U.S. dollars, respectively.

Interest Rate Risk

Our exposure to interest rate risks relates primarily to our short-term and long-term debt, which is normally utilized to finance our working capital and capital expenditures. Changes in interest rates affect our interest expenses on floating rate debt instruments, loans and our interest income from cash and cash equivalents. As of March 31, 2016 and September 30, 2016, 79.9% and 86.8% of our total indebtedness bore interest at floating rates, respectively. We use interest rate swaps to hedge a portion of our foreign currency borrowings. Our borrowings denominated in Indian rupee bore interest at floating rates and are unhedged.

As of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016, we had outstanding interest rate swap agreements in the amounts of US$13.6 million, US$8.2 million, US$2.7 million, US$5.5 million and US$1.1 million, respectively.

Commodity Price Risk

We are exposed to fluctuations in prices of polymers and resins and agricultural products which are used by us as raw materials. These products are commodities whose prices are determined by the supply and demand in the Indian and international markets for those products and by the price of petroleum. The prices for these commodities are volatile and this volatility has an effect on our income and net profit. See "Risk Factors — We depend on certain key raw materials including raw materials derived from petroleum. Consequently, our business, financial condition and results of operations may be materially and adversely affected by increases in the prices of these raw materials". We currently do not hedge against market risk resulting from fluctuation in prices of these commodities mainly due to the lack of traded futures and other hedging instruments for our plastic resin and fruit and vegetable raw materials.

Credit Risk

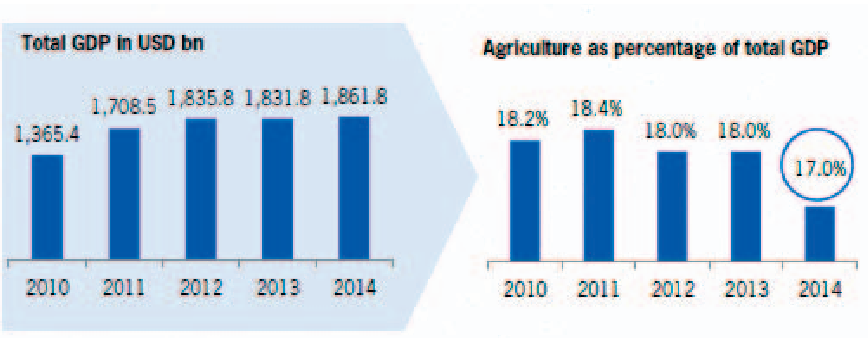
We are subject to the risk that our counterparties under various finance and customer agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. As of March 31, 2016 and September 30, 2016, our total trade receivables outstanding were Rs.23,416.5 million and Rs.22,908.5 million, respectively. Our provision for doubtful debts was Rs.931.6 million and Rs.1,368.8 million as of March 31, 2016 and September 30, 2016, respectively, representing 4.0% and 6.0% of trade receivables as of such respective dates.

The information in this section is derived from industry sources, including (i) a report entitled "Accelerating growth of Indian agriculture: Micro irrigation an efficient solution — Strategy paper — Future prospects of micro irrigation in India" prepared by Grant Thornton in 2016, (ii) the 2015-2016 annual report of the Ministry of Food Processing Industries, a ministry of the Government of India, (iii) information from publications of Reliance Industries Limited, and (iv) a 2016 report entitled "Building Materials: Plastic Pipes Sector Note" prepared by Spark Capital. Nothing in this Offering Memorandum should be construed as a recommendation from any of Grant Thornton, the Ministry of Food Processing Industries, the Government of India or Spark Capital to participate in the offering described herein. Neither we nor any other person connected with the offering has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

MIS

Agriculture in India

India has a total geographical area of 328.7 million hectares. The net area under agriculture is 142.0 million hectares and the gross area under agriculture is 198.0 million hectares. In comparison, the net area under irrigation is 65.3 million hectares. The following information reflect the contribution of agriculture to India's total gross domestic product ("GDP").

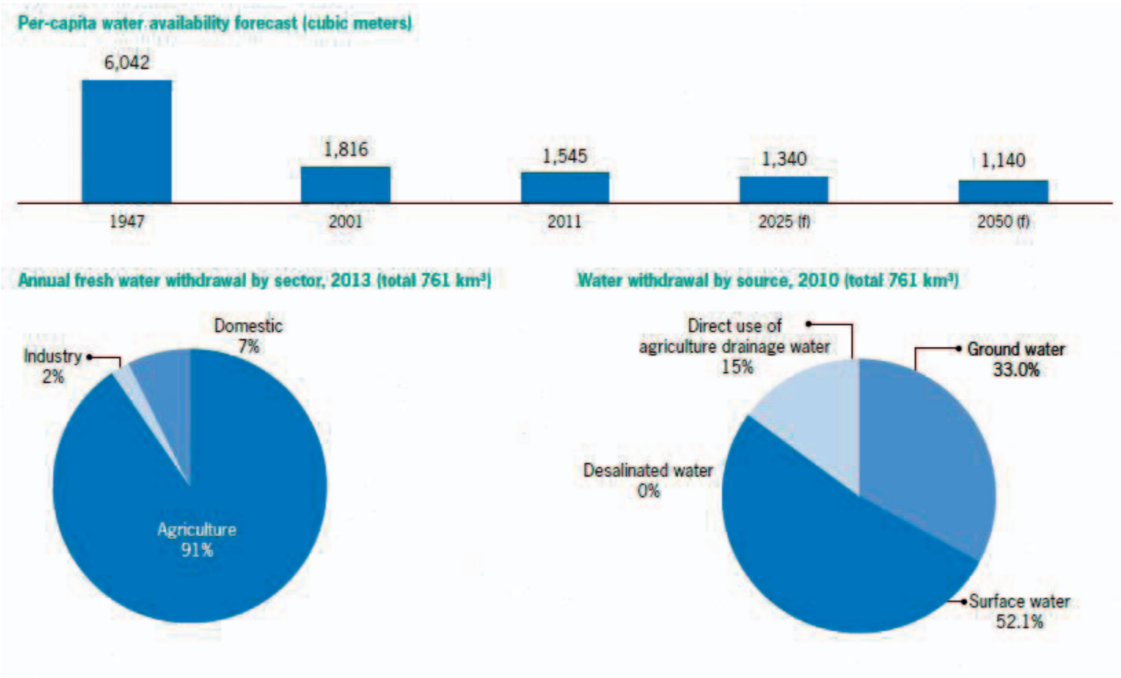


Source: Grant Thornton

Challenges for Indian Agriculture

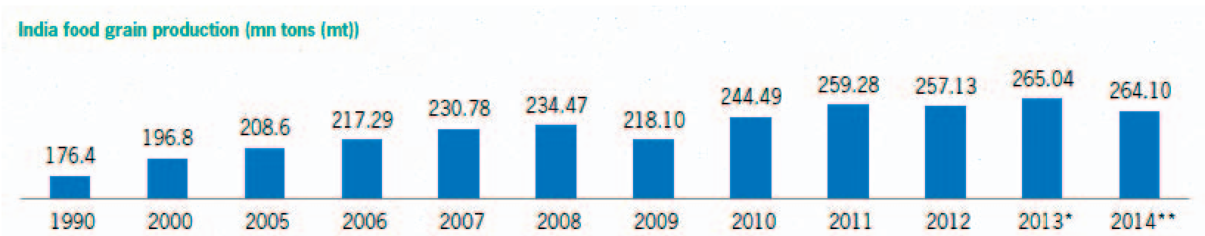
The challenges of both water scarcity and the need to feed a growing population has resulted in 54% of India facing high to extremely high water stress. Of all the economic sectors, agriculture is the one where water scarcity has greater relevance. Agriculture accounts for approximately 70% of the global freshwater withdrawals and approximately 90 percent of its consumptive use. As per the United Nations Food and Agriculture Organisation (UNFAO, in 2010), irrigation and livestock segments accounted for 91% of water withdrawal in India, which is well above the global average. About a third of the water withdrawal came from groundwater. Ground water is depleting quickly and there is no immediate recharge mechanism. Groundwater, if exploited from greater depth cannot be recharged by rainfall and therefore cannot be considered a renewable resource. The World Bank estimates in 2010 showed that groundwater supported 60% of irrigated agriculture and 80% of rural and urban water supplies.

According to projections by the United Nations ("UN") nearly 3.4 billion people would be living in "water-scarce" countries by the year 2025. The Indian sub-continent, with its unique position in South-Asia may face the brunt of the crisis and as a result, India would be at the center of it. India has 18% of the world's population with only 4% of the usable water resources. 90% of the waste water discharged into the rivers in India does not meet environmental standards, while 65% of rainwater runoff flows into the seas, which is a major wastage. These two factors also add to the impending scarcity.



Source: Grant Thornton

Feeding a growing population, which is expected to reach 1.6 billion by the year 2050, will be a major challenge for the Indian agriculture industry. The chart below shows the volume of food grain production in India over the years.



Source: Grant Thornton

Even though food grain production has increased significantly over the years, there is a need for production to increase even further in order to meet the future demand created due to this population growth of the country. Given the fact that land is a limited resource, this would require an improvement in the productivity of crops. Another factor, which is also subtly indicated by the varying food production numbers, is the continued reliance on rain-water for cultivation. In 2014-15, food production declined to 251.1 million tons from 265.04 million tons the previous year. The reason behind the decline was the 12% monsoon rainfall deficit. Therefore, ensuring adequate water supply to the farms is essential. These conditions, in addition to the looming water scarcity, make the need for a prudent and efficient use of the land and water resources paramount. Agriculture therefore needs more efficient irrigation methods such as MIS.

MIS as a Solution

Irrigation is used to deliver water to crops in order to help them grow. It also protects crops, improves yields, suppresses weed growth and prevents soil consolidation. India has a net area under agriculture of 142.0 million hectares with a net irrigated area of 65.3 million hectares. With the large land area, uneven distribution of rain, different water requirements of different crops grown and the tropical climate leading to high evaporation rates, the need for increasing the gross irrigated area in India is of paramount importance.

There are essentially two types of MIS, namely, drip irrigation and sprinkler irrigation. The focus of the drip irrigation system is irrigating the root zone of the crop, rather than the surface. The system allows for application of frequent but small quantities of water and therefore, a continuous supply of water throughout the day. One key reason for the superior performance of such a system is the fact that such a system can neutralize the nutrients and level of water available to the crops, in contrast with traditional surface irrigation systems, under which plants face stress as a result of feast and famine cycles. Sprinkler irrigation, on the other hand, is a method of applying water akin to natural rainfall. Water, distributed through a system of pipes, is sprayed on the crops and falls as smaller water drops. This system does not apply water directly to the soil or root zone.

Impact of Micro Irrigation

The key benefits of micro irrigation are:

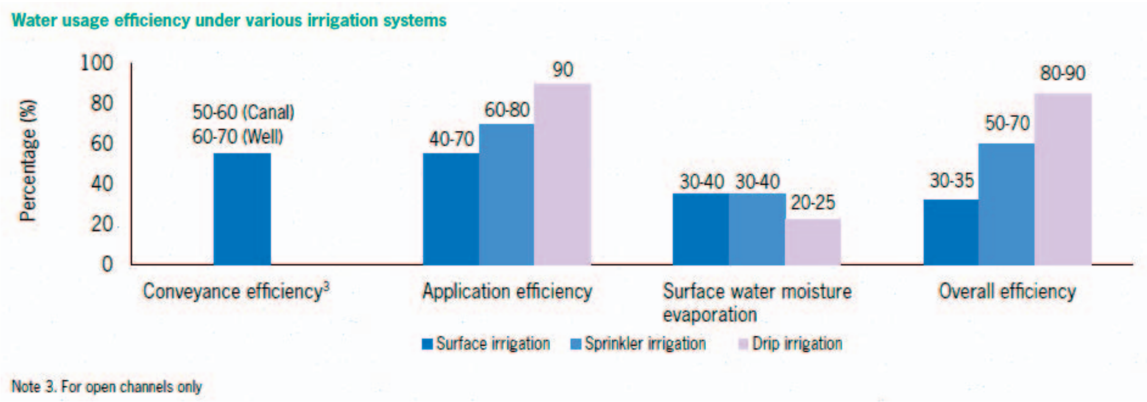
- **Energy and fertilizer savings.** Direct fertilizer application to the root increases the efficiency of usage. Additionally, due to the smaller power units required as a result of lower water requirements and thus fewer hours of irrigation, significant electricity savings per hectare have been estimated. Energy and fertilizer efficiency translate into cost savings.

- **Increase in productivity.** As a result of the controlled and targeted application of water, soil moisture can be maintained at more desirable levels. This leads to an increase in the productivity of the crops. Across various studies, it has been found that the adoption of MIS helped boost the yield of fruit and vegetable crops. An average increase of 42.3% in the productivity of fruit crops and 52.8% increase in the productivity of vegetable crops was seen. Higher productivity helps increase incomes of the farmers.

- **Irrigation cost reduction and new crop introduction.** As a result of improved water use efficiency through the judicious use of MIS, overall cost of irrigation has decreased. According to Grant Thornton, an average reduction of 31.9% was seen. Gujarat, Haryana and Rajasthan were the leading states, with farmers in Gujarat seeing their irrigation cost almost cut in half. Farmers also showed an increase in the new crops introduced on the farms as a direct result of adoption of MIS. 30.4% of farmers introduced new crops.

Efficient water use

With usage of MIS, conveyance loss is minimal. Evaporation, runoff and deep percolation are also reduced by using micro irrigation methods. Another water saving advantage is that water sources with limited flow rates such as small water wells can be used. Micro irrigation provides significantly higher water usage efficiency due to proximity and focused application. Efficient water use leads to additional benefits such as increase in the area under irrigation as well as more usage of marginal/degraded land.



Source: Grant Thornton

Reduction in input consumption and increased productivity of crop

Micro irrigation can help improve numerous facets of the production process, from reduction in input consumption to increased productivity of the crop. It has even given farmers the flexibility to introduce new crops on their lands. The following sets out certain savings and efficiencies as a result of micro irrigation:

- Due to the smaller power units required as a result of lower water requirement and thus lower number of hours of irrigation, significant electricity savings, on average 30.5%, have been estimated;

- Direct fertilizer application to the root increases the efficiency of usage, resulting in an average reduction in fertilizer consumption of 28.5%;

- As a result of the controlled and targeted application of water, soil moisture can be maintained at optimum levels. This leads to an increase in the productivity of the crops. Across various studies, it has been found that the adoption of MIS helped boost the yield of fruit as well as vegetable crops. An average increase of 42.3% in the productivity of fruit crops and 52.8% increase in the productivity of vegetable crops was seen. Higher productivity helps increase incomes of the farmers;

- As a result of the improved water use efficiency through judicious use of MIS, the overall cost of irrigation has decreased. An average reduction of 31.9% was seen; and

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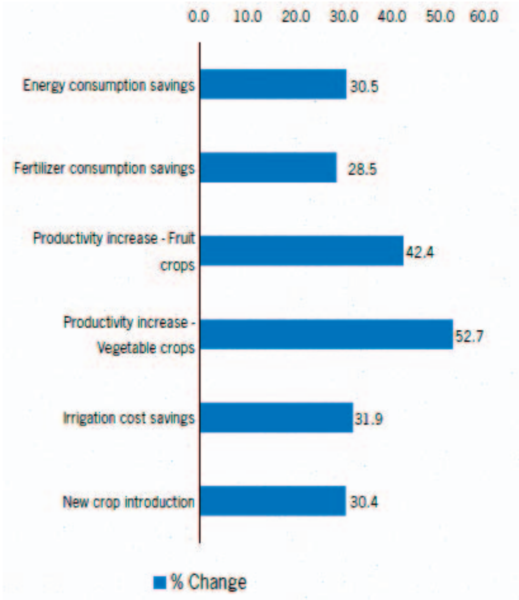
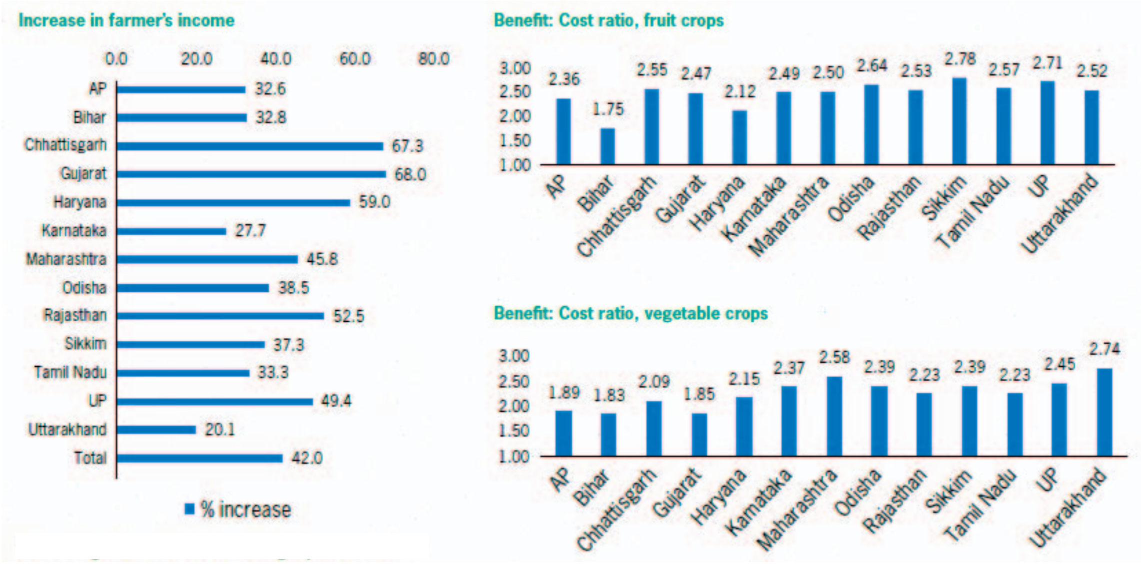


Source: Grant Thornton

Overall benefit to the farmer

Indian agriculture is heavily dependent on monsoons as a source of water for agricultural activities. A shortage or absence of monsoon rainfall results in farmer distress and below average crop yields, particularly in drought prone areas such as Maharashtra, Karnataka, Andhra Pradesh, Odisha, Gujarat, Madhya Pradesh, Karnataka, and Rajasthan among others. It may be noted that states like Maharashtra, Rajasthan, Gujarat, Haryana, Bihar, Karnataka and Andhra Pradesh are among the leading states with high potential for MIS usage in India. Hence, micro irrigation can not only save water, however this technology can come as a major relief for drought prone areas of the country with proper planning and implementation.

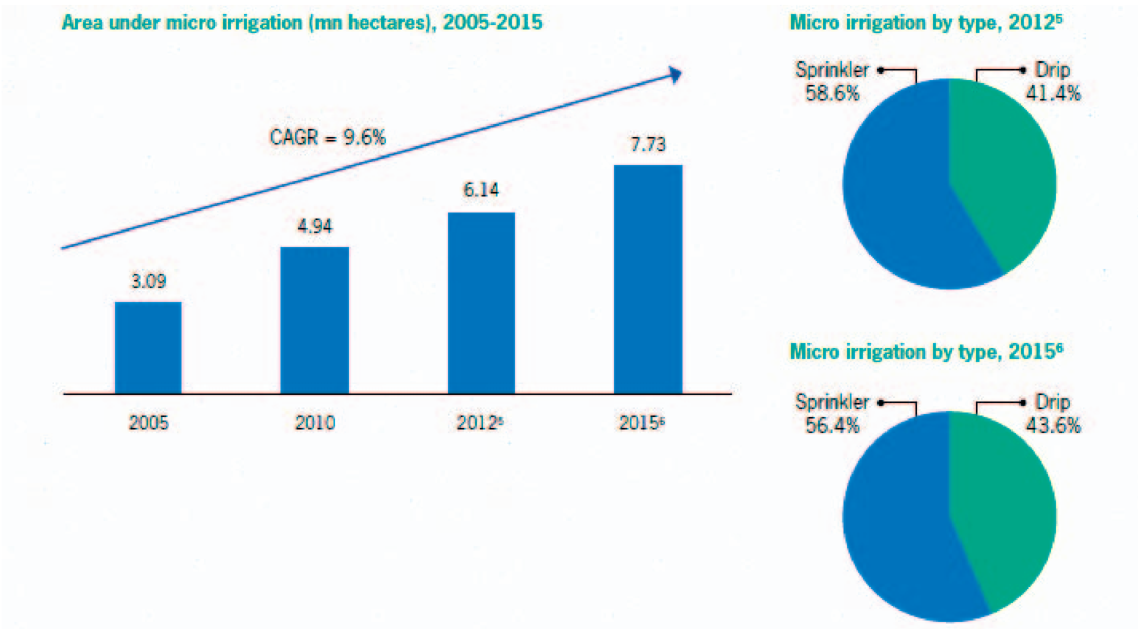
A look at the average benefit-to-cost ratio for the crops grown in each state shows that the benefits to the farmer outweigh the costs of installation in every case. The income of the farmer also shows an average increase of 42%, as reflected in the following charts.



Source: Grant Thornton

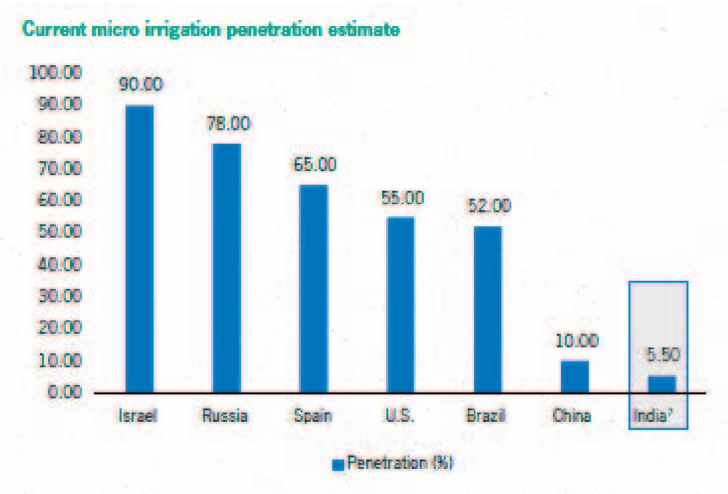
Micro irrigation penetration

Micro irrigation has grown steadily over the years. Since 2005, area under MIS has grown at a CAGR of 9.6%. Geographically, states with the largest area under MIS include: Rajasthan (1.68 million hectares), Maharashtra (1.27 million hectares), Andhra Pradesh (1.16 million hectares), Karnataka (0.85 million hectares), Gujarat (0.83 million hectares) and Haryana (0.57 million hectares). Majority of the area covered under MIS comes under sprinkler irrigation accounting for 56.4%, and 43.6% under drip irrigation. Area under drip irrigation has shown stronger growth in recent years, growing at a CAGR of 9.9% from 2012 to 2015 while sprinkler irrigation has grown at a pace of 6.6% in the same period. Overall, the area under MIS has grown at a CAGR of 8.0% in this time frame.



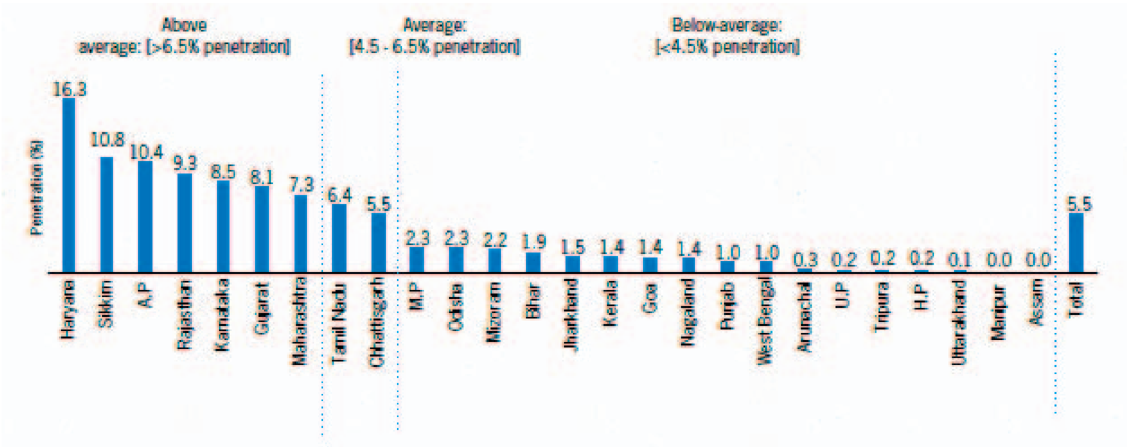
Source: Grant Thornton

Penetration of micro irrigation in states of India varies. The average penetration at the national level is 5.5% which is lower than countries like Israel (90%), the US (55%) and even China (10%). India now has close to 8 million hectares under micro irrigation. This is attributed to the large cultivable area and area under irrigation. The general penetration of micro irrigation is still very low in India. With half the cultivable land in the country still being rain-fed, there is significant potential for promoting micro irrigation on India's 140 million hectares of arable land.



Note: Calculated as area under micro irrigation / net sown area

Source: Grant Thornton

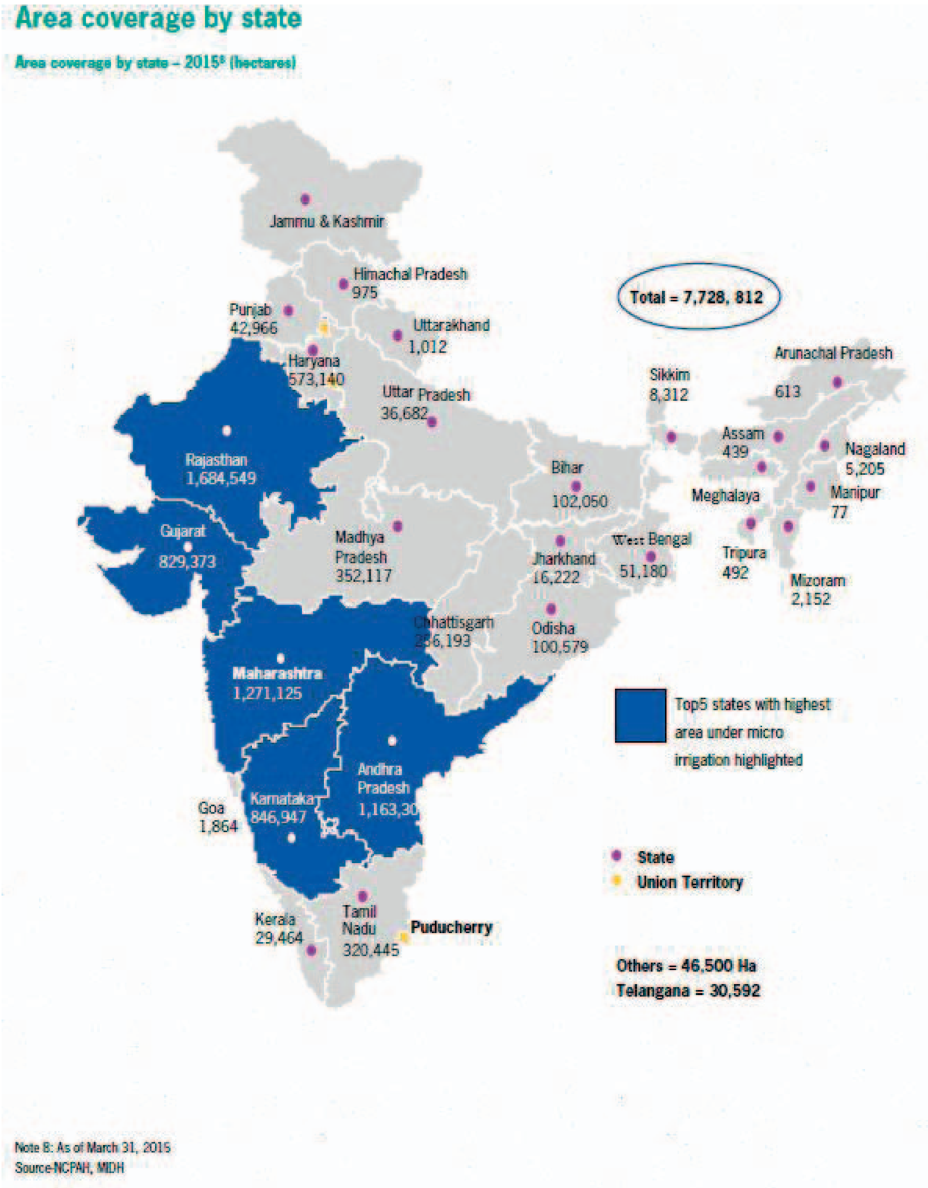


Source: Grant Thornton

Potential for micro irrigation systems (mn hectares (mh))

Crop	Total
Cereals	27.6
Pulses	7.6
Oil Seeds	4.9
Cotton	8.8
Vegetables	6.0
Spices and Condiments	2.4
Flowers, medicinal and aromatic plants	1.0
Sugarcane	4.3
Fruits	3.9
Coconuts, plantation crops and oil palm	3.0
TOTAL	**69.5**

Source: Grant Thornton



Source: Grant Thornton

Government schemes

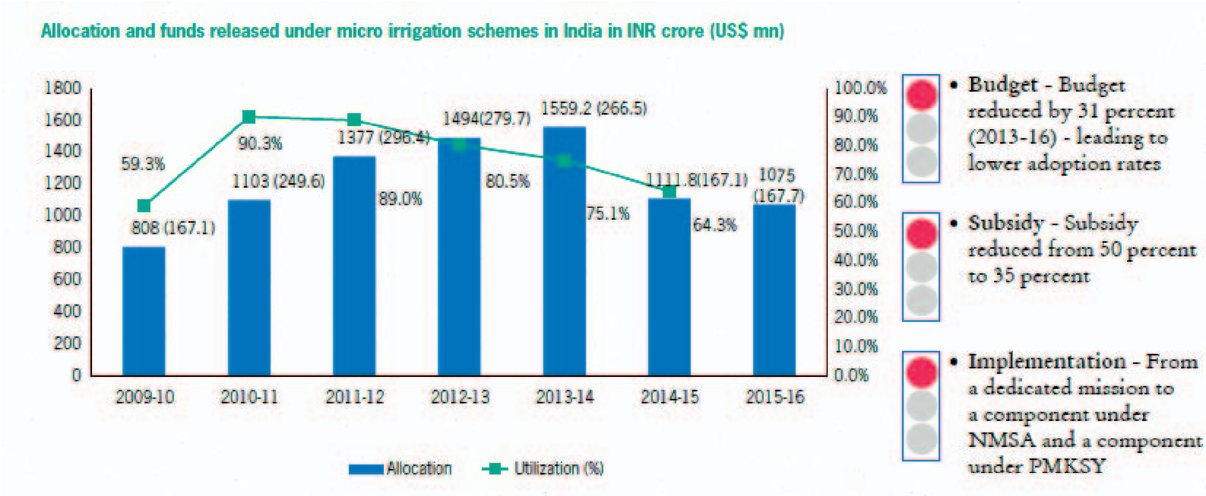
The Indian government has launched various programs in support of micro irrigation. From 2010 to 2014, the National Mission on Micro Irrigation saw the area under micro irrigation nearly double, growing from 3.09 million hectares in 2005 to 6.14 million hectares in 2012. From 2014 to 2015, the National Mission for Sustainable Agriculture was implemented to promote a sustainable agricultural ecosystem, but with less focus on micro irrigation.

The Pradhan Mantri Krishi Sinchayee Yojana ("PMKSY") was launched in July 2015 for a five year period, with an outlay of Rs. 50,000 crore. The major objective of the PMKSY is to achieve convergence of investments in irrigation at the field level, expand cultivable area under assured irrigation (Har Khet Ko Pani), improve on-farm water use efficiency to reduce wastage of water, enhance the adoption of precision-irrigation and other water saving technologies (more crop per drop), enhance recharge of aquifers and introduce sustainable water conservation practices by exploring the feasibility of reusing treated municipal based water for peri-urban agriculture and attract greater private investment in precision irrigation system. The scheme also aims at bringing together concerned ministries, departments, agencies, research and financial institutions engaged in the creation, use, recycling and potential recycling of water under a common platform, so that a comprehensive and holistic view of the entire "water cycle" is taken into account and proper water budgeting is done for the household, agricultural and industrial sectors.

The program architecture of PMKSY aims at a "decentralized State level planning and execution" structure, in order to allow states to draw up a District Irrigation Plan ("DIP") and a State Irrigation Plan ("SIP"). DIP will have holistic developmental perspective of the district outlining medium to long term developmental plans integrating three components namely, water sources, distribution network and water use application of the district to be prepared at two levels - the block and the district. All structures created under the schemes will be geotagged. The program will be supervised and monitored at the national level by an Inter-Ministerial National Steering Committee ("NSC") under the Chairmanship of the Prime Minister with Union Ministers of all concerned Ministries. A National Executive Committee is to be constituted under the Chairmanship of the Vice Chairman, NITI Aayog, to oversee program implementation, allocation of resources, inter ministerial coordination, monitoring and performance assessment and addressing administrative issues. At the state level, the scheme is to be administered by a State Level Sanctioning Committee to be chaired by the Chief Secretary of the respective states. The committee will have all authority to sanction the project and monitor the progress of the scheme. At the district level, there will be a district level implementation committee to ensure coordination at the field level.

A component of PMKSY is to increase efficient water conveyance which will require the construction of MIS. Notwithstanding this, the allocation of funds for micro irrigation under the various schemes is declining. Micro irrigation had previously been a scheme of its own, but is now diluted to a component under a scheme, and there has been a lack of focus on spreading micro irrigation in India. Despite great demand, funds released under various schemes have seen a downward trend since 2012-13 primarily due to implementation challenges. States like Maharashtra, Haryana, Bihar which have potential for micro irrigation have not been able to utilize the amount released under on-farm water management for 2014-15 which again indicates that steps are needed to use the funds and technology available to utilize water resources judiciously.

The table below shows the allocation and funds released under MIS schemes in India:



Source: Grant Thornton

Impediments

The following outlines certain impediments to the growth of micro irrigation in India:

- **Lack of focus on micro irrigation.** There is a lack of focus at the central level on micro irrigation, previously seen during the years of the National Mission on Micro Irrigation ("NMMI"). Since 2014-15, there has been a dilution of focus by subsuming micro irrigation as a component of government schemes, rather than a dedicated mission. At the state level as well, this lack of focus permeates, which has resulted in only a few states having a dedicated team for micro irrigation. This has contributed to the deceleration of growth of micro irrigation penetration in the country;

- **Lack of IT-backed operations.** The entire process, from application to installation and payment, cannot be tracked online in a majority of states. In most cases, only a part, if any, of the process can be tracked, which makes monitoring the transactions and ensuring efficiency in the process a nearly impossible task. There is a lack of usage of systems such as geo-tagging and referencing, which allow real-time monitoring of projects. Gujarat, Andhra Pradesh, Maharashtra are considered to be select examples in promoting micro irrigation, utilizing such systems which enable real-time monitoring at the state and central level;

- **Uncertainty and sporadic changes in government scheme guidelines.** There is lack of smoother/longer-term guidelines, which causes each government scheme to only be operational for a part of the year (on average five months) and not the full twelve months or during peak demand months. As a result of this, farmers miss the cropping season and are unable to realize the true benefits of installing an MIS;

- **Scheme implementation and operating process.** There are various inefficiencies in the operating process, especially with regard to the time and length of the process. In some states, the implementation and launch process extends through the months of August and September (even October in some cases), due to which a time lag crops up. By this time the main season has already ended. Hence, farmers are unable to draw the optimal benefit of the available technology. Therefore, ensuring timely completion of the process (before the beginning of April) is paramount to safeguard the interests of the farmers;

- **Delays in subsidy disbursement.** The method of subsidy payment has been an impediment in previous government schemes and continues to be one. There is also a continued problem with unavailability of funds in certain states. This is a result of approving installation of equipment when the funds for the subsidy are not yet available to the states. This causes a shortage of funds, which in turn causes delays in subsidy payments and therefore, uncertainty for the suppliers of MIS; and

- **Absence of easy financing mechanisms for farmers.** Financing for farmers continues to be a major impediment. Farmers continue to have difficulty finding financing options and even when they do, the collateral requirements are very high. Finding ways to ensure easier financing norms for farmers should be a priority. There is precedence for loans to farmers without collateral such as crop loans.

These fundamental and persistent impediments in the industry need to be addressed. There is a need for efforts to be made that would be game changers for micro irrigation in India and therefore, game changers in overcoming future challenges facing Indian agriculture.

With the current target of achieving 0.5 million hectare per year coverage under micro irrigation, with a budget of just Rs.1,000 crores (US$156 million), it will take another 100 years to achieve the full potential of micro irrigation in India.

Global Status of Micro Irrigation: Spotlight on Israel

Israel is one of the most densely populated countries in the world. However, only 20% of the land is arable and half of that must be irrigated. More than half of the country is arid or semi-arid, and the rest of the country is dominated by steep hillsides and forests. The country also has scattered rainfall, with the northern region receiving a generous 700mm per year, the central region only 400-600mm annually and the south a meagre 25mm annually.

Israel has addressed its water scarcity issue through technology:

- 80% of farms in the country are owned and run by kibbutzim (collective villages) and moshavim (cooperative villages);

- Kibbutzim often develop, design, manufacture and market their own agri-technology inputs. Drip irrigation was developed in such a kibbutz; and

- These farmers work closely with the country's ten agricultural research institutes including the Agricultural Research Organisation (ARO), part of the Ministry of Agriculture. 25 professional and marketing associations also fund R&D, as do various government bodies and hundreds of private firms in the biotechnology and computer software sectors.

The performance and reasons for Israel's success is attributable to the following key factors:

- a real focus, as a result of the climatic conditions and scarcity of natural resources, in Israel on the concept of sustainable agriculture. These unique conditions have also necessitated a close collaboration between farmers, scientists, the government and localized agricultural concerns;

- The Ministry of Agriculture is dedicated to the efficient use of water and treated waste water and promotion of water recycling. The ministry allocates grants to farmers who practice sustainable agriculture practices such as drip irrigation;

- Free-market forces also play a crucial role in the country, taking on turnkey projects that incorporate more efficient water use, irrigation systems, crop and seed choice; and

- Strong political will with a focus on the concept of sustainable agriculture and special emphasis on R&D has resulted in virtually all irrigation being done through drip in a matter of four decades.

Food Processing

Overview of the Food Processing Industry ("FPI")

An agriculturally-rich country, India was ranked the top globally in 2013 for production of various food products. In the five years ending in the financial year 2013-2014, the horticulture sector has shown an average growth rate of 5.53% as compared to 2.64% in production of food grain in the country. India is now leading in the production of agricultural and live-stock produce as shown in the following table.

Item	Rank	India (Tonnes)	World (Tonnes)	Share (%)
Anise, fennel, coriander	1	546,173	940,587	58.1
Areca nuts	1	609,000	1,224,125	49.7
Bananas	1	27,575,000	106,714,205	25.8
Castor oil seed	1	1,644,000	1,865,447	88.1
Chick peas	1	8,832,500	13,118,699	67.3
Chillies and peppers, dry	1	1,376,000	3,458,634	39.8
Ginger	1	683,000	2,140,451	31.9
Lemons and limes	1	2,523,500	15,191,482	16.6
Mangoes, mangosteens, guavas	1	18,002,000	43,300,070	41.6
Millet	1	10,910,000	29,864,147	36.5
Okra	1	6,350,000	8,689,499	73.1
Papayas	1	5,544,000	12,420,585	44.6
Pigeon peas	1	3,022,700	4,679,936	64.6
Meat, buffalo	1	1,610,000	3,722,800	43.2
Milk, whole fresh buffalo	1	70,000,000	102,041,460	68.6
Milk, whole fresh goat	1	5,000,000	17,957,372	27.8
Ghee, butter oil of cow milk	1	137,550	227,063	60.6
Ghee, of buffalo milk	1	2,863,000	2,951,219	97.0
Beans, dry	2	3,630,000	22,806,139	15.9
Cabbages and other brassicas	2	8,534,000	71,436,600	11.9

India is the major producer and exporter of certain dried and preserved vegetables, such as onions, cucumbers and gherkins, mushrooms and truffles, green pepper in brine, asparagus, garlic powder, garlic flakes, garlic, potatoes, grams, and grams dal. Many non-traditional vegetables such as cucumbers, gherkins, asparagus, celery, bell peppers, sweet corn, green and lime beans and organically grown vegetables are also being increasingly exported. The raw vegetables are typically grown in field conditions and are mainly grown in the states of Jammu and Kashmir, Himachal Pradesh, hilly regions of North Uttar Pradesh, Tamil Nadu, Maharashtra, Karnataka, Gujarat, Andhra Pradesh, Assam, Madhya Pradesh, Rajasthan, Punjab, Tripura, West Bengal and Orissa. In the financial year 2015 to 2016, India exported approximately Rs. 914.21 crores worth of dried and preserved vegetables to countries such as Germany, the United Kingdom, the United States and Belgium.

India is one of the leading exporters of mango pulp globally, with approximately Rs. 796.17 crores of mango pulp exported in the financial year 2015 to 2016, to countries such as Saudi Arabia, the Netherlands, Yemen, Kuwait and the United Arab Emirates. Mango pulp is prepared from fresh mangoes which are harvested and processed in India. Fully matured mangoes are harvested, quickly transported to the fruit processing plant, inspected and washed. Selected high quality fruits go to the controlled ripening chambers, where fully ripened mango fruits are then washed, blanched, pulped, deseeded, centrifuged, homogenized, concentrated when required, thermally processed and aseptically filled maintaining sterility. The preparation process includes cutting, de-stoning, refining and packing. In case of aseptic product the pulp is sterilized and packed in aseptic bags. The refined pulp is also packed in cans, hermetically sealed and retorted. Frozen pulp is pasteurized and deep-frozen in plate freezers. The process ensures that the natural flavor and aroma of the fruit is retained in the final product. The main types of mangoes in India are the Alphonso, Totapui and Kesar varieties. India has approximately 65 processing units which process the mango pulp, and the two main clusters of mango pulp processing units are in Chittoor in Andhra Pradesh and Krishnagiri in Tamil Nadu. Additionally, some of the processing units are in the states of Maharashtra and Gujrat.

Impact of the FPI in India

A well-developed food processing sector with higher levels of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better returns to farmers, promotes employment and increases export earnings. It is also capable of addressing critical issues of food security and food inflation and can provide wholesome, nutritious food to the masses.

Over the years, agricultural production in India has consistently recorded higher output. According to the Ministry of Food Processing Industries' 2015-2016 annual report, India ranks number one in the world in the production of, among others, milk, ghee, pulses, ginger, bananas, guavas, papayas and mangoes. Further, India ranks number two in the world in the production various agricultural food products, including rice, wheat and several other vegetables and fruits. Abundant supply of raw materials, increases in demand for food products and incentives offered by the Government have impacted the food processing sector positively. The table below shows that the food processing sector has been, on average, growing at a faster rate than the agriculture sector (from the financial year 2011-2012 to the financial year 2014-2015). In the last three years, the food processing sector has been growing at an average annual growth rate of approximately 2.26% as compared to approximately 1.69% in the agriculture sector and 6.23% in the manufacturing sector at the financial year 2011-2012 prices. Food processing has emerged as an important segment of the Indian economy in terms of its contribution to India's GDP, employment and investment.

Economic Activity	Financial Year 2011-2012 (Rs. Crore)	Financial Year 2012-2013 (Rs. Crore)	Financial Year 2013-2014 (Rs. Crore)	Financial Year 2014-2015 (Rs. Crore)
GDP - All India	81,95,546	85,99,224	91,69,787	98,27,089
GDP - Manufacturing	14,82,158	15,74,471	16,58,176	17,76,469
GDP - Agriculture, Forestry and Fishing	15,05,580	15,23,470	15,79,290	15,82,851
GDP - Food processing industry	1,50,370	1,43,364	1,49,555	1,60,224[(1)]

Growth (%)

Economic Activity	Financial Year 2011-2012	Financial Year 2012-2013	Financial Year 2013-2014	Financial Year 2014-2015
GDP - All India	4.93	6.64	7.17	6.23
GDP - Manufacturing	6.23	5.32	7.13	6.23
GDP - Agriculture, Forestry and Fishing	1.19	3.66	0.23	1.69
GDP - Food processing industry	-4.66	4.32	7.13	2.26

Share of FPI (%)

Economic Activity	Financial Year 2011-2012	Financial Year 2012-2013	Financial Year 2013-2014	Financial Year 2014-2015
GDP - All India	1.83	1.67	1.63	1.63
GDP - Manufacturing	10.15	9.11	9.02	9.02
GDP - Agriculture, Forestry and Fishing	9.99	9.41	9.47	10.12

Source: National Accounts Statistics-2014, CSO.

(1) GDP-FPI sector for the financial year 2014-2015 is calculated on the basis of share of GDP-FPI in GDP-Manufacturing sector for the financial year 2013-2014.

According to the Annual Survey of Industries the financial year 2012-2013, there were 1,110 factories employing approximately 55,000 persons for the processing and preserving of fruit and vegetables in India's food processing sector.

Challenges to the FPI in India

The main challenges facing the food processing sector in India are (i) a supply chain infrastructure gap, where there is a lack of primary processing, storage and distribution facilities; (ii) inadequate link between production and processing; (iii) seasonality of operations and low capacity utilization; (iv) inadequate focus on quality and safety standards; (v) lack of product development and innovation; and (vi) supply chain institutional gaps, where there is a procurement dependence on the Agricultural Produce Market Committee in India.

The Government of India seeks to address the challenges above with the implementation of certain schemes, details of which are set out in the next section.

Drivers for Food Processing Demand

The following are key drivers for demand in the food processing sector:

The Prime Minister of India's "Make in India" initiative has identified the food processing sector as an industry for attracting investment. The Ministry of Food Processing Industry has been investing in infrastructure for promoting food processing industries. Mega food parks with common utilities such as roads, electricity, water supplies, sewage facilities and common processing facilities such as pulping, packaging, cold storage, dry storage and logistics are being promoted in areas with a strong agricultural resource base. These food parks provide fully developed plots and factory sheds to entrepreneurs on a long term lease basis where they can set up food processing units in a "plug and play model".

The Government of India has also declared investment in mega food parks to be covered under the Harmonized List of Infrastructure Sub-sectors in 2014. It is expected that this would allow the mega food parks greater access to infrastructure lending on easier terms. In the context of the "Make in India" campaign, the Ministry of Food Processing Industry disseminates information to potential investors to attract investment to the sector, giving potential investors a range of information such as resource base, availability of land, state specific policies and fiscal incentives. The Ministry of Food Processing Industry also collaborates with Invest India to help investors locate joint venture partners, extend hand-holding services, expedite regulatory approvals and provide investors with after-care services.

Other initiatives undertaken by the Government of India to promote private investment in the food processing sector include, among others:

- the setting up of the National Mission on Food Processing, targeted at improving coordination and implementation of schemes and to enable greater involvement of state governments;

- implementing a nation-wide skill development program for youths under Swarnajayanti Gram Swarojgar Yojana of Ministry of Rural Development;

- encouraging increased participation in Codex deliberations and setting up and strengthening of Codex cell in Food Safety and Standards Authority of India to promote, coordinate and monitor related initiatives at a stakeholder level;

- setting up of an Innovation Fund and Venture Capital Fund for Food Processing to promote innovations and technology development;

- announcement of fiscal incentives from time to time by the Government of India, such as income tax deductions for expenditure incurred on investments, certain service tax exemptions, reduced customs duty payable and concessions to central excise duty; and

- the setting up of a fund in the National Bank for Agriculture and Rural Development to provide loans to certain individuals or organizations to promote the establishment, modernization, expansion of food processing units and development of infrastructure in designated food parks.

Various plan schemes have also been implemented to complement the initiatives undertaken by the Government of India to promote the food processing sector. These schemes include:

- Scheme for Infrastructure Development, comprising mega food parks, integrated cold chain and setting up / modernization of abattoirs;

- Mega Food Park Scheme, aimed at creating a modern food processing infrastructure for the processing units based on a cluster approach and on a hub and spoke model in a demand-driven manner, linking up farmers, processors and retailers to maximize value addition and minimize wastages and to improve farmers' income;

- Scheme for Cold Chain, Value Addition and Preservation Infrastructure to streamline the stages of the supply chain and minimize wastage;

- Scheme for Setting Up / Modernization of Abattoirs; and

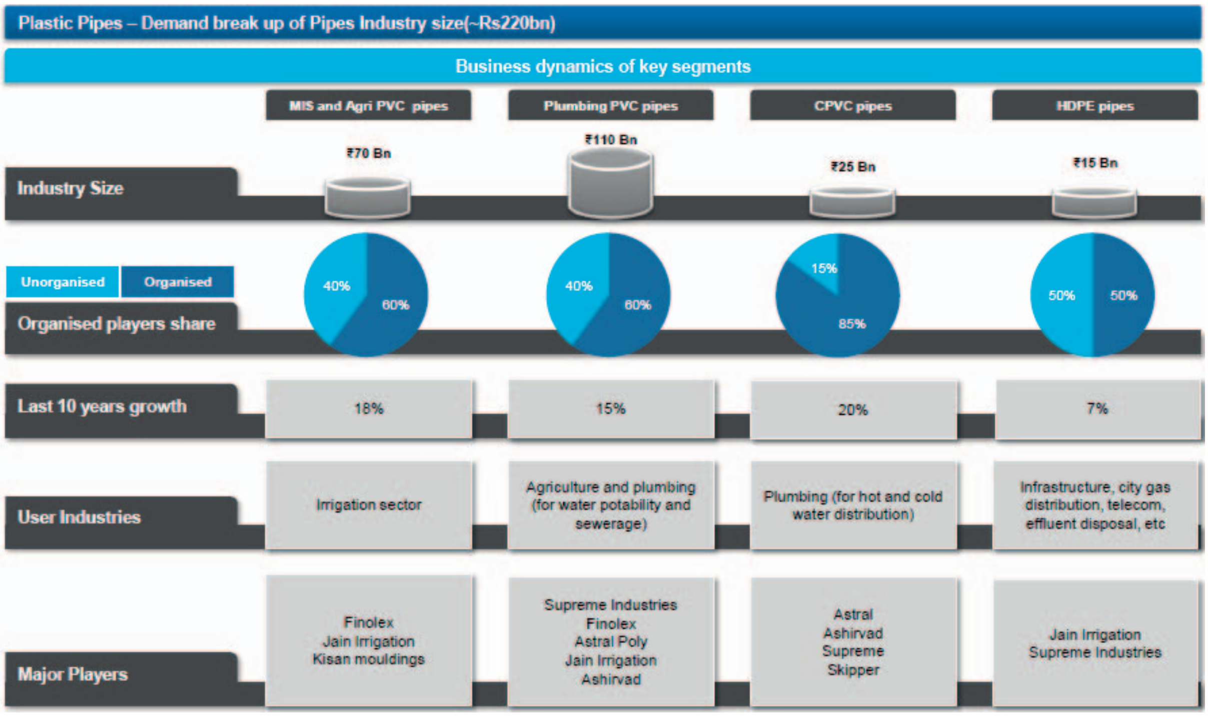
- various schemes for quality assurance, research and development and promotional activities of the food processing industry.

Pipes

Overview of the Pipes Industry

Pipes commonly used in India include polyvinyl chloride ("PVC") pipes and chlorinated chloride ("CPVC") pipes, which are used for water supply and drain pipes. According to Spark Capital, the Indian plastic pipes industry as of September 2016, was worth Rs. 220 billion and has been growing in the range of 10-12% CAGR over the last five years. The growth has been led by increasing usage of PVC/CPVC pipes in construction activities, a shift from the conventional galvanized iron pipes to plastic pipes, replacement demand, irrigation, and real estate growth in Tier 2 and 3 cities. It is expected that growth will accelerate to 12-15% CAGR over the next five years given the Government of India's emphasis on housing, sanitation, and irrigation. 70% of the demand arises from residential use of plastic pipes, and 30% of the plastic pipe demand comes from commercial use. Notable trends include new products such as low noise pipes, septic tanks and column pipes.

Information on the demand for pipes is set out in the following table.



Source: Spark Capital

Drivers for Demand

The general demand drivers for polymer in India arise from economic growth, where there is a rising middle class with higher disposable income, increased urbanization and brand conscious customers. This would raise the need for infrastructure, housing, automobiles and fast-moving consumer goods, which in turn would require more polymer, a fundamental material, to be produced in order to meet these demands. Polymer would, for example, be used for building automobile parts, smart packaging, white goods, healthcare, agriculture and irrigation, and food packaging.

With an increase in infrastructure development, consumption of PVC in the past 20 years has increased from under 500 kilo tonnes per annum to over 2,500 kilo tonnes per annum. The Government of India has also planned the following investments in infrastructure which would require the use of polymer:

Initiatives	Planned Expenditure	Polymer Required
Water and sanitation	Rs.41 billion	Water and sewerage pipes, fold and form pipes, weldable PVC pipes and profile wound pipes
Irrigation	Rs.82 billion	Water pipes, borewell casing and column pipes
Building and construction . .	Rs.10 billion	Water supply pipes, sewerage pipes, soil, water and rain pipes, plumbing pipes, window and door profiles, flooring, water proofing membranes, wires and cables and wood PVC composites
Power	Rs.244 billion	Wires and cables, ducting pipes, insulation tapes and sleeves

Additionally, the need for plastic pipes arises from a natural base demand, accounting for approximately 65%, and a replacement demand, accounting for approximately 35%. A strong replacement demand has been seen in the PVC plumbing segment in the last 10 years. Plastic pipes are fast replacing conventionally used galvanized iron pipes, as they are approximately 25% to 30% cheaper, and are durable with an average life span of 20 to 25 years, whereas conventional systems tend to corrode over time. West and South India have large replacement demand, and there is still strong replacement potential in North and East India, which could result in strong growth opportunities for PVC plumbing pipe players going forward. In addition, there is strong growth in the demand for plastic plumbing pipes in residential areas, commercial zones, for hospitals and for hotels, partly attributable to construction activities in metro and Tier 2 cities in the last 10 years. Efforts from processors to introduce products requiring PVC pipes, and stringent specifications to ensure quality products also promote the use of PVC pipes.

In addition, Government-led schemes also create an incremental demand for plastic pipes, with a focus on rural water and sanitation, an emphasis on increase of irrigation of land by the Government. Further details of specific Government schemes are set out in the following section.

Demand from Government Schemes

Housing for All aims to provide affordable housing in both urban and rural areas by 2022. Based on a 2011 census, India has a 19 million unit housing shortage in urban areas. The Government of India had in its union budget for the financial year 2016-2017 launched various schemes to incentivize home buyers. While real estate is seeing a downturn in urban areas, rural areas are still unaffected. Assuming 10% of total housing shortage is met by the Government of India each year, Spark Capital estimates a total fresh pipe demand of 0.45 million tonnes per year, which is 25-30% of 2016 demand. When compared to current consumption of PVC pipes of 1.7 million tonnes per year, Housing for All offers significant opportunities in this aspect.

Number of housing units required under 'Housing for all by 2022' programme

Particulars	Urban (mn unit)	Rural (mn unit)	Total (mn unit)
Current housing shortage	19	40	59
Required housing units by 2022	26-29	23-25	49-54
Total Need	44-48	63-65	107-113

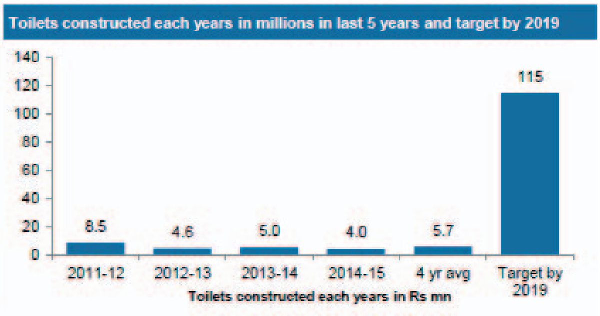
Housing for All offers a humongous opportunities for Pipe industry

	1 Unit Consumption	Total current shortage	Yearly unit addition of 10% every year	Yearly PVC Pipes demand in mn ton
Urban	100-150 kg of PVC	~19 m units	1.9m units	~0.25
Rural	50 kg of PVC	~40 m units	4.0m units	~0.20

Source: Spark Capital

Swachh Bharat Mission, a nation-wide sanitation and cleanliness drive, is the Government of India's flagship program with a focus on improving sanitation facilities through the construction of individual household latrines, cluster toilets and community toilets. A total of Rs. 2,000 billion has been allocated to Swach Bharat Mission through the Ministry of Drinking Water and Sanitation and from the Urban Development Ministry. Under the scheme, all Gram Panchayats of India will be provided Rs. 2 million each to spend on sanitation. The Government of India's ambitious target of providing toilets to 115 million rural houses creates significant opportunities for the industry.

Lack of Sanitation and Drinking facilities offers another opportunity...	
Total Households in India (mn)	**250**
Households sources water outside the premises	50%
Households have no drainage facility (rural + urban)	50%
Household without toilets (rural + urban)	50%



Source: Spark Capital

Source: Spark Capital

The Atal Mission for Rejuvenation and Urban Transformation scheme ("AMRUT"), aims to provide basic services, such as water supply, sewerage and urban transport, to households and to build amenities in cities to improve the quality of life. Pursuant to a financial year 2009-2010 estimate, Rs. 39.2 trillion is required for the creation of urban infrastructure, including Rs. 17.3 trillion for urban roads and Rs. 8 trillion for services, such as water supply, sewerage, solid waste management and storm water drains. Under AMRUT, about 500 cities with populations of over 0.1 million are identified for budget allocation. A strong demand for soil, waste and rain pipes and drainage pipes is expected in the coming years.

The PMKSY scheme, which aims to improve farm productivity and achieve better use of resources in Indian agriculture, through use of irrigation and other water-saving activities, will also create strong demand for high pressure agricultural pipes.

Further Opportunities

Further opportunities for the growth of demand for plastic pipes will arise from the upgrading of ageing infrastructure in India. About 40% of water currently transported is wasted due to leaks and breaks in the ageing pipelines. The Government of India has planned for investment of approximately US$41 billion for the water and sanitation sector in the next five years, to replace or repair old pipelines.

Products best suited for trenchless installations include the weldable PVC pipes, which provide a monolithic, fully restrained, gasket-free and leak-free piping system, and are suitable for longer trenchless pull-in lengths for rehabilitation of old pipes, while eliminating the use of fittings. The spiral wound pipe renewal technology utilizes steel-reinforced interlocking PVC profile strips grouted in place of highly compressive grout. Fold and form pipes would likely also be used for rehabilitation of old pipes.

The use of wood PVC composites is also significant in the furniture market. The furniture segment is growing at a 20% rate per year in India, and the plywood industry in India is estimated to be approximately US$1.5 billion. While wood constitutes about 65% of the total market share, wood PVC composites are a better option for furniture, and PVC WPC boards have an 80% share of the wood PVC products market, while PVC profiles account for 15%. Reliance Industries Limited sees the industry growing at approximately 30% per year, and believes that products such as poolside decking and outdoor furniture applications remain to be tapped.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Offering Memorandum, including the information contained in the section entitled "Risk Factors".

Overview

We are one of India's leading high technology agricultural solution providers, operating across the agro-business value chain with businesses spread across the globe. Our business comprises the following business segments:

- hi-tech agri input products segment, which comprises (i) MIS products, (ii) cultivated tissue culture plants, (iii) precision farming products and (iv) advisory services. Our MIS products comprise (a) drip irrigation systems, (b) sprinkler irrigation systems, (c) solar pumping systems and (d) integrated irrigation projects;

- plastic products segment, which comprises (i) piping systems, (ii) PVC sheets and (iii) turnkey services. Our piping systems comprise (a) PVC pipes and fittings and (b) PE pipes and fittings;

- agro-processed products segment, which comprises (i) dehydrated onion and vegetable products, (ii) processed fruit products and (iii) biogas power generation; and

- other products and services segment, which comprises (i) renewable energy systems, (ii) solar power generation and (iii) equipment manufacturing.

We won the APEDA Golden Trophy for the last five consecutive years which recognized our position as the largest exporter of processed fruits and vegetables in India. In addition, we are one of the major players in the MIS and agriculture PVC pipes and the HDPE pipes segments according to Spark Capital.

We provide total solutions to farmers to enhance their productivity and yield by leveraging our expertise in agriculture and relationships with our various stakeholders. In addition, the breadth of our product offerings enables us to provide integrated solutions which are customized to the needs of our customers. Our MIS products, solar pumping systems and piping systems provide integrated irrigation solutions which are essential to the efficient operations of farmers. We also undertake integrated irrigation projects to large farming communities and provide turnkey services for the construction of piping systems which utilize our MIS and piping systems products. We also provide cultivated tissue culture plants which aid the cultivation of crops by farmers by reducing growing time and creating higher crop yields.

We have an extensive presence in India and abroad. We operate 12 manufacturing facilities in India. We believe one of our core strengths is the synergy created by our extensive global experience and our local knowledge and capabilities. We believe our core manufacturing base in India provides us with a low-cost manufacturing capability. In addition, we operate 18 manufacturing facilities outside of India located in four continents, namely Europe, North America, South America and other parts of Asia.

Our extensive network of dealers in India provides a significant competitive advantage which we believe our competitors cannot easily replicate. We had 6,527 dealers in India who market our hi-tech agri input products and plastic products to end customers as of September 30, 2016, approximately two-thirds of which market such products on an exclusive basis. Most of these dealers come from farming backgrounds and have deep relationships in the farming communities in which they operate.

We operate an international micro irrigation business. Our subsidiary in Israel, NaandanJain Irrigation, is a leading manufacturer of high quality irrigation equipment. Our subsidiary in the United States, Jain USA, is a leading manufacturer of irrigation products, which it markets under the well-established "Chapin" and "Aquarius" brands. In addition, Jain USA produces irrigation monitoring devices and software under the "Puresense" brand in the United States and wireless sprinklers with modifiable water flow and pattern under the "Genesys" brand. In addition, our subsidiary in Turkey, Jain Sulama, manufactures irrigation systems which we intend to leverage as a platform for our expansion of our sales into neighboring countries and Africa. We intend to leverage NaandanJain Irrigation's current operations in South America to continue expanding the sales of our products there.

The international reach of our agro-processed products segment comprises operations in the United States and Europe. Our subsidiary in the United States, Cascade, produces dehydrated onion products for a wide network of customers. In addition, Cascade's White Oak Frozen Foods division produces reduced moisture frozen vegetable products, which it sells to multi-national food companies located in the United States. Our subsidiary in the United Kingdom, Sleaford, produces spices and other food ingredient products, which provides us with direct access to the United Kingdom food markets.

We also operate an equipment manufacturing business in Switzerland through our Swiss subsidiary, THE Machines. THE Machines manufactures various capital machinery and equipment and designs production lines for the production of irrigation and other products. THE Machines's operations includes R&D on "next generation" irrigation systems, including developing thin emitters and tape lines which require less material to produce and which are capable of being applied across multiple crops.

In addition, we have a 49.0% interest in SAFL, a non-banking financial company which focuses on providing financing solutions to Indian farmers. SAFL provides certain financing solutions to Indian farmers including financing for the purchase of MIS products, farm equipment, piping systems, motors and pumps for lift irrigation, solar modules, crops, livestock, sheds and two wheel vehicles. SAFL also provides financing for contract farming, agricultural projects and business ventures. As of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016, the total outstanding loans of SAFL was Rs.948.9 million, Rs.1,564.1 million, Rs.2,040.0 million, Rs.1,917.0 million and Rs.2,184.2 million, respectively.

Our total revenues were Rs.58,744.3 million, Rs.61,936.5 million, Rs.63,336.9 million, Rs.29,906.5 million and Rs.31,778.0 million for fiscal years 2014, 2015 and 2016 and the six months ended September 30, 2015 and 2016, respectively. Our profit for the year was Rs.553.9 million and Rs.882.7 million for fiscal years 2015 and 2016, respectively. For fiscal year 2014, we recorded a loss for the period of Rs.398.2 million. Our total comprehensive income (after tax) was Rs.165.5 million and Rs.787.8 million for the six months ended September 30, 2015 and 2016, respectively. For the six months ended September 30, 2016, our sales of hi-tech agri input products, plastic products, agro-processed products and other products and services accounted for 46.1%, 27.3%, 23.8% and 2.8% of our net sales income from operations, respectively.

Founded by our late chairman, Dr. Bhavarlal H. Jain, in 1963, we began our operations in trading agricultural inputs and equipment. In 1980, we expanded our business to include the manufacture of PVC pipes, and in 1988, we began producing MIS products to provide a more complete solution to farmers. In 1991, we began the manufacturing of PVC sheets. In 1994, we added other complementary businesses, including the manufacturing of PE pipes and fittings, solar water heater systems and dehydrated vegetable products. In addition, in 1994, we also began the manufacturing of cultivated tissue culture plants which aid the cultivation of crops by farmers by reducing growing time and creating higher crop yields. In 1996, we began the manufacturing of processed fruit products to take advantage of our contacts and expertise in the agricultural sector. In 2013, we began the production of solar pumping systems, which are comprised of PV solar panels and pump modules, in order to provide farmers in areas with scarce electricity with the means to pump water for irrigation purposes. This background has given our Company a foundation of deep understanding of the agriculture industry and related opportunities and challenges so that we can provide the best solutions to farmers.

We have received 41 state awards, 172 national awards and 18 international awards for outstanding export performance, business practices, excellence in sustainability, R&D achievements and entrepreneurship. In 2008, the late Bhavarlal H. Jain received the Padma Shri Certificate and Medal, India's highest civilian award, from the President of India for his significant contributions to science and engineering. In 2011, we were recognized as a "New Sustainability Champion" by the World Economic Forum. In addition, we were the only Indian company to be inducted into Fortune magazine's inaugural "Change the World" list in 2015, which recognized our contributions to the improvement of the livelihoods of millions of small farmers in India.

Competitive Strengths

Integrated products and solutions across an extended value chain

We provide total solutions to farmers to enhance their productivity and yield by leveraging our expertise in agriculture and relationships with our various stakeholders. In addition, the breadth of our product offerings enables us to provide integrated solutions which are customized to the needs of our customers. Our MIS products, solar pumping systems and piping systems provide integrated irrigation solutions which are essential to the efficient operations of farmers. We also provide cultivated tissue culture plants which aid the cultivation of crops by farmers by reducing growing time and creating higher crop yields. We undertake integrated irrigation projects to large farming communities and provide turnkey services for the construction of piping systems which utilize our MIS and piping systems products. Furthermore, we also manufacture capital machinery and equipment for the production of irrigation and other products. In addition, we bolster the marketing of our hi-tech agri input products by offering fee-based advisory services such as agricultural consultancy, training, agronomy services, surveys and analysis of water and soil samples. Through our strategic relationship with SAFL, we are able to arrange financing for the sales of our MIS products to end customers.

Furthermore, we are committed to providing end-to-end total solutions for farmers in India to enhance their management of irrigation, soil and crops and farming cultivation and operations. Our "Jain Self Sustaining Agricultural Development Cycle" business model, which has evolved over a period of 50 years, is a farmer-centric business model encompassing the manufacturing and marketing of high technology agricultural products and related services. This business model aims to improve productivity, save input costs and optimize resources for farmers through the provision of agronomic support and knowledge and the creation of value through the processing, marketing and distribution of agricultural produce. For instance, we and Hindustan Coca-Cola have undertaken Project Unnati under which we are promoting the application of ultra high density plantation techniques among mango farmers in India in order to increase the utilization of available farmland and thereby improve yield. We also develop varieties of high yielding and hybrid onion seeds which we sell to farmers with whom we have purchase arrangements. In addition, our business positions us as an end customer to certain farmers. For example, we purchase onions, tomatoes and other vegetables for the manufacturing of our dehydrated onion and vegetable products, and mangoes and other fruits for our manufacturing of processed fruit products.

We have entered into several memorandums of understanding with certain agricultural universities, international institutes and the Indian Council of Agricultural Research for the advancement of agricultural research. We have established the Jain Hitech Agricultural Institute to further agricultural research and foster the sharing of knowledge among our stakeholders, including farmers, government officials, dealers, academics, students and members of the general public. We believe that our participation across the agricultural value chain and our efforts to provide total solutions to farmers as well our position as an end customer to certain farmers, enhance our knowledge, relationships, brand name and strong distribution network.

Leadership in each of the markets in which we operate

We are among the market leaders in each of the markets in which we operate. In addition, as one of India's leading high technology agricultural solution providers, we believe we have established a first-mover advantage in the markets in which we operate. We won the APEDA Golden Trophy for the last five consecutive years which recognized our position as the largest exporter of processed fruits and vegetables in India. In addition, we are one of the major players in the MIS and agriculture PVC pipes and the HDPE pipes segments according to Spark Capital. Our total revenues were Rs.58,744.3 million, Rs.61,936.5 million, Rs.63,336.9 million, Rs.29,906.5 million and Rs.31,778.0 million for fiscal years 2014, 2015 and 2016 and the six months ended September 30, 2015 and 2016, respectively. Our profit for the year was Rs.553.9 million and Rs.882.7 million for fiscal years 2015 and 2016, respectively. Our total comprehensive income (after tax) was Rs.165.5 million and Rs.787.8 million for the six months ended September 30, 2015 and 2016, respectively. We believe our leadership position provides us with leverage with our customers, dealers, suppliers and other stakeholders, thereby helping us strengthen the recognition and appeal of our products and brands and preserve our margins. In addition, we believe our leadership position provides us with significant credibility with respect to creditors and investors, which allows us to access financing and capital on favorable terms.

Diversified revenue base

Our extensive range of product portfolio and global geographical presence provide us with a diversified revenue base. We operate four business segments which offer an extensive product portfolio. Our hi-tech agri input products segment comprises MIS products, solar pumping systems, integrated irrigation projects, cultivated tissue culture plants, precision farming products and advisory services. Our plastic products segment comprises piping systems, PVC sheets and turnkey services. Our agro-processed products segment comprises dehydrated onion and vegetable products, processed fruit products and biogas power generation. Hi-tech agri input products, plastic products, agro-processed products and other products and services accounted for 46.1%, 27.3%, 23.8% and 2.8% of our net sales income from operations for the six months ended September 30, 2016, respectively. We believe our extensive product portfolio has allowed us to maintain a well-balanced operating revenue stream without excessive reliance on a single product. In addition, we believe our diversified product portfolio provides a robust platform of products and services that seek to address pertinent global issues such as food and water security and the effects of climate change.

With a sales presence in approximately 120 countries, including our warehouses and sales offices in 19 countries, we believe we are well positioned to increase the market share of our products. We have a diversified global geographical footprint, with India, Europe, the United States and the rest of the world accounting for 53.5%, 19.6%, 12.2% and 14.8% of our net revenue from operations for fiscal year 2016, respectively. We believe our geographic diversification mitigates our exposure to adverse weather or other conditions in any single region. The diversity of our business across geographies also provides a range of expansion opportunities across major agro-climatic regions around the world.

Extensive manufacturing, marketing, sales and distribution platform

We believe our large-scale capacity manufacturing facilities provide us with economies of scale. We believe we are able to realize such economies through our ability to spread fixed operating expenses over a large amount of products which reduces our per unit cost of production. In addition, we believe the scope of our manufacturing capacity allows us to meet the demand for most of our products without the need of making substantial capital expenditures. We currently have the capacity to produce 316,227 tons of MIS products, 334,020 tons of piping systems, 72,085 tons of dehydrated onion and vegetable products, 159,000 tons of processed fruit products and 90 million cultivated tissue culture plants per year as of September 30, 2016. We believe we have demonstrated a strong track record of operating large-scale manufacturing capacities efficiently across various product lines and geographies. In addition, we believe that the manufacturing facilities that we operate across the globe provide a strong platform for further expansion of our distribution network.

Our extensive network of dealers in India provides a significant competitive advantage which we believe our competitors cannot easily replicate. We had 6,527 dealers in India who market our hi-tech agri input products and plastic products to end customers as of September 30, 2016, approximately two-thirds of which market such products on an exclusive basis. Most of these dealers come from farming backgrounds and have deep relationships in the farming communities in which they operate. In addition, such dealers are primarily located in rural areas placing them in close proximity to the farmers which constitute a significant portion of our end customers of hi-tech agri input products and plastic products. We believe our strong local sales force gives us a deep understanding of the needs of our end customers in India and assists us in providing strong after-sales support and sharing our knowledge with our end customers. We also have a pool of approximately 1,364 agricultural scientists, technicians and engineers in India as of September 30, 2016, that provide agricultural and infrastructure solutions to our customers which allow us to customize the application of our products in accordance with our customers' needs.

Our international marketing, sales and distribution platform is comprised of approximately 4,028 distributors and customers, 130 sales managers and 66 agents located in North America, Europe, South America, Asia, Australia and other locations as of September 30, 2016. In addition, we operate 18 manufacturing facilities outside of India located in four continents, namely Europe, North America, South America and other parts of Asia. Our international footprint includes sales operations in the United States and South America which we believe are attractive growth markets for the sales of our products. In addition, we believe our international marketing, sales and distribution platform allows for a global recognition of our brands and products.

Strong R&D capabilities and intellectual property

We have strong competence in R&D in each of our business segments. We focus our R&D operations in the technical development of new products and improvement of existing products. Our R&D team is also responsible for developing new and more efficient production processes and the enhancement of existing production processes. We believe that providing timely and cost-effective improvements in product quality is a key factor in ensuring customer satisfaction and retention. We have gained significant product development expertise, which has enabled us to create a portfolio of innovative products. For instance, we have the R&D capabilities to develop agro-processed products for the retail markets. In addition, we began the production of irrigation monitoring devices and software, which monitor and analyze soil moisture, nitrogen, nutrient and weather conditions, under the "Puresense" brand in the United States, positioning us as a leading agricultural technology player in the United States. Our "Puresense" products provide technology and software for farmers to monitor irrigation requirements at crop root levels on a real time basis. In addition, we have developed a wireless sprinkler with modifiable water flow and pattern under the "Genesys" brand. In 2016, we also introduced other product innovations such as a self-cleaning automatic filter, sand separators, fertilizer injection machines and water jets. Our dedication to technological leadership has enabled us to maintain a long track record of introducing innovative products.

Furthermore, our global R&D operations allow us to integrate new technologies, best practices and knowhow across our international operations including by introducing new and improved products at our core manufacturing base in India where we can exploit our low-cost manufacturing capability and economies of scale. As of September 30, 2016, we employed 170 R&D personnel.

We have a portfolio of approximately 610 trademarks in India out of which 421 trademarks are registered for our various products and service lines, including MIS products and services, piping systems, agro-processed products, PVC sheets, renewable energy systems and other products. We have registered 13 trademarks in the United States and two in each of Canada and Mexico. We have also applied for 54 trademarks for our MIS products in Turkey, out of which we have received registration for 10 trademarks. We also own several patents worldwide including in the United States, Europe, Israel and India, and have applied for one in Australia. We have built our patent portfolio by placing a continuous focus on R&D and by acquiring R&D-driven companies outside of India to expand our intellectual asset base.

Strong product quality and internal quality controls

We have implemented a comprehensive quality management program and adhere to a strict quality control system over our entire operations. We believe our strong product quality and internal quality controls allow us to operate our manufacturing facilities efficiently by reducing defects and waste and have fostered the trust of our customers in the products that we manufacture. For instance, our operations in India possess the certifications which allow us to access export markets. With respect to our agro-processed products, we also implement Jain Good Agricultural Practices and Sustainable Agricultural Codes to promote traceability, food safety, worker welfare, hygiene, sanitation as well as environmental and biodiversity protection, conservation and enhancement. In addition, our manufacturing facilities of MIS products implements equipment which automatically rejects defected products.

Experienced board and management team

We have a highly experienced management team with extensive experience and domain knowledge in each of the segments in which we operate. See "Management and Corporate Governance". Our management team has a demonstrated track record of achieving improved financial results and has solidified our customer relationships as well as enhanced our respective local management teams. Each of our senior management has significant experience in our Company due to his or her extensive periods of service. In addition, we benefit from the support of our senior management and principal shareholders whom we believe are committed to the long-term growth and prospects of our Company. Furthermore, we have experienced senior managers at the regional levels with significant experience and understanding of their respective markets and regions. Our local management has ownership of day-to-day operational decisions while being guided by central principles aligned to our vision and strategy. We believe that the strength of our management team combined with our local management enables us to take advantage of strategic market opportunities, to make decisions at the local level quickly and to better serve our customers. We believe that our management team has been instrumental to our achievement of increase in operating margins and allowed us to be able to leverage our long-standing relationships with customers and distributors to drive revenue growth and win new and repeat business.

Our Strategy

Expand our geographic markets and product offering

We plan to continue to expand the geographic reach of our operations in India as well as globally. While sales of our MIS products and piping systems in India have historically been focused primarily in the Western and Southern parts of the country, we intend to increase our sales in other regions through expanding the reach of our distribution network and leveraging our existing marketing capabilities. In addition, we intend to continue expanding our capabilities to provide integrated irrigation solutions and turnkey services and capture the significant opportunities for growth provided by anticipated increases in infrastructure spending by governments in India and abroad. We also intend to continue to expand our sales of MIS products and expand our sales of solar pumping systems into Africa and South America, geographies which we believe provide attractive opportunities for growth. By further diversifying our revenue stream geographically, we believe that we reduce concentration risks, such as foreign exchange related risks, weather and crop-related risks and economic risks.

We also intend to capitalize on growth opportunities and further strengthen our market position through the expansion of our product offering. We intend to leverage our R&D capabilities to diversify the application of our MIS products in India, which are currently primarily concentrated in sugar cane, cotton, vegetables and fruits, to applications for wheat and rice. We believe this constitutes a significant opportunity for horizontal expansion to increase the sales of our MIS products. We also intend to expand our processed fruit products offering by commencing the manufacture of processed citrus pulps and concentrates. In addition, we plan to commence the manufacture of processed spices made from turmeric, chili, pepper and ginger for both the wholesale and retail markets.

In order to bolster our manufacturing capabilities in India, we intend to develop an integrated agricultural and horticultural park in Andhra Pradesh, which we expect will comprise manufacturing and R&D facilities for MIS products, cultivated tissue culture plants and agro-processed products. In addition, we have entered into a memorandum of understanding with Hindustan Coca-Cola and the state government of Maharashtra for the development of a manufacturing facility to produce orange juice and orange juice concentrates and a nursery to cultivate orange plants. We plan to commence development of these projects in 2017.

In addition, we intend to maintain our position as a leading agricultural technology player. We intend to develop our current portfolio of high technology irrigation monitoring devices and software products to add features which enable data collection, processing and analysis which we intend to sell as a service to our customers. We believe these services would provide significant analytical tools for farmers to optimize planting strategies to improve production, cut operational costs and minimize environmental impact.

Expand our retail product portfolio

We intend to expand our retail product portfolio of agro-processed products in order to capture opportunities to produce downstream products. We intend to commence the production of processed fruit snacks in India under an in-house brand. We intend to use the processed fruit pulps that we produce as raw materials for the manufacturing of such processed fruit snacks. In addition, we are currently conducting trials for the introduction of retail fruit juice vending machines with a leading fast-moving consumer goods company. We intend to use the processed fruit pulps that we produce as raw materials for the manufacturing of such fruit juice.

We also intend to introduce additional retail processed fruit products, such as frozen fruit puree made from jamun, strawberry and guava as well as ready-blend spices.

Implement prudent financial strategy

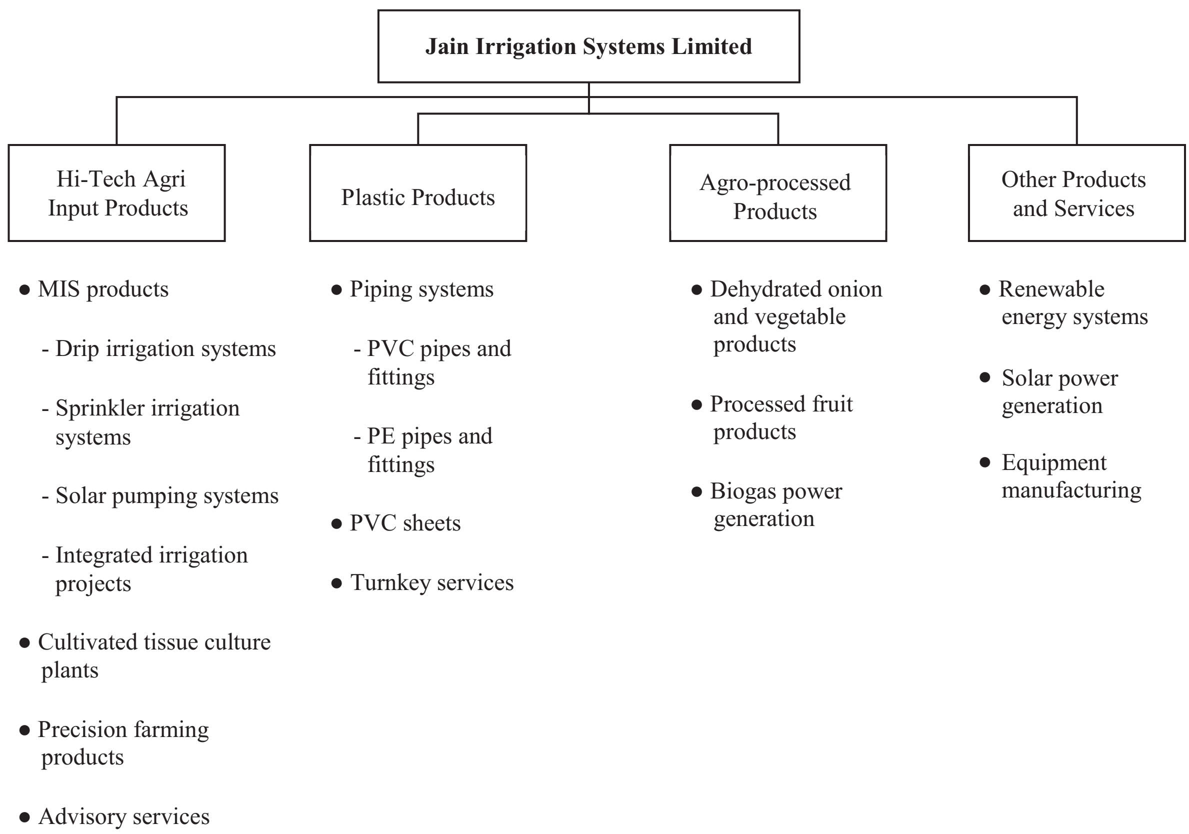
We seek to optimize our capital structure by assessing the benefits and suitability of utilizing different funding sources. We seek to refinance our indebtedness with the proceeds from the offering of the Notes to lower our borrowing costs. In addition, we intend to reduce our working capital requirements by continuing to implement our cash and carry policy for our sales of MIS products to dealers in India, which we expect will reduce our gross credit days for the sales of MIS products. We also intend to leverage our relationship with SAFL to bolster our liquidity position as SAFL expands its operations in the extension of credit to our customers, providing upfront cash for the purchases of our products. We intend for these measures to increase our free cash flow, enabling us to better pursue the development of our business.

Pursue merger and acquisition opportunities that are in line with our vision and strategic objectives

Our experienced management team monitors markets and taps their broad business networks for potential merger and acquisition M&A opportunities that fit our vision, mission and strategic objectives. We plan to prudently and selectively pursue strategic M&A opportunities that will allow us to expand and/or complement our current portfolio of products, marketing capabilities and geographical footprint. In evaluating potential M&A opportunities, we will consider the following selection criteria: the strategic fit and attractiveness of the M&A opportunity, the value to be created by such M&A opportunity, the capabilities of the target's management team, the scope of organic growth that we can achieve through such M&A, and our targeted internal rate of returns that we aim to realize in making such investments.

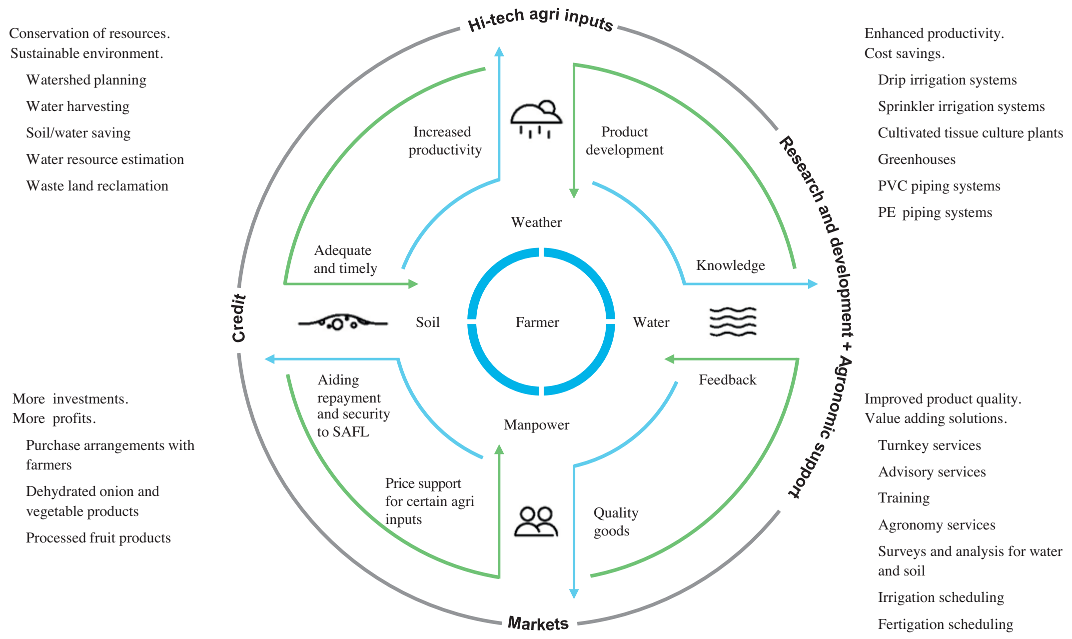
Key Products and Services

The following chart outlines our principal business segments:



Integrated Business Model

We provide total solutions to farmers to enhance their productivity and yield by leveraging our expertise in agriculture and relationships with our various stakeholders. The following chart illustrates our integrated business model:



Our Business in India

We manufacture hi-tech agri input products, plastic products, agro-processed products and other products in India. We also provide certain services which are related to the products that we manufacture. The following provides details of our principal products and services in India.

Hi-tech Agri Input Products

Our hi-tech agri input products segment in India comprises MIS products, cultivated tissue culture plants, precision farming products and advisory services. Revenue from sales of hi-tech agri input products in India accounted for 27.4% and 24.1% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

MIS Products

Our primary MIS products are drip and sprinkler irrigation systems, which are described below. We also produce solar pumping systems and conduct integrated irrigation projects. Revenue from sales of MIS products in India accounted for 24.6% and 22.0% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

Drip Irrigation Systems

Our Drip Irrigation Systems

Drip irrigation is the regulated application of water through specially designed emitters or orifices situated close to the root zone of individual plants. In drip irrigation applications, drip irrigation systems carry a precise and on-demand quantity of water and fertilizers through a network of pipes and emitting devices to the roots of each plant, helping to enhance crop yield and save water. The primary end users of our drip irrigation systems are Indian farmers.

Our product range consists of complete irrigation systems, including tubing, main and sub-main pipelines, drippers and accessories, sprinklers, filters and filtration equipment, fertigation tanks, control valves and computerized control units. For larger projects involving our products, we also provide basic services such as surveys and sampling, soil and water analysis, systems design and layout, installation and commissioning of systems and water management techniques training for systems operations. For smaller projects, we train our dealers to provide such services and regularly monitor our dealers' performance in providing such services.

The following table sets forth further details of our drip irrigation product range:

Product	Range	Applications
On-line tubes (tough hose or polytubes)	Up to 32 mm	Orchards, row crops, greenhouse and micro/mini sprinklers
In-line tubes (emitting pipes)	12 to 35 mm	Orchards, row crops, field crops
Oval hose	10 to 151 mm	Water conveyance
Online emitters	1 to 15 lph	Orchards, tree crops, row crops, greenhouses
Inline emitters	0.5 to 4 lph	Orchards, row crops, field crops
Jets, sprayers, foggers	Up to 90 lph	Tree crop, field crops and row crops, nurseries, greenhouses
Mini sprinklers	Up to 200 lph	Closely spaced row crops, nursery
Bubblers	9 and 15 lpm	Shrubs, trees

Our "Total System" approach, which we use in our Indian operations, includes:

- *Indigenization to suit India's small farms and varied climate:* We believe MIS products which are marketed globally are ideally suitable for larger-sized mechanized farms and typically have short useful lives. As a result, they are generally not well suited to Indian conditions. In 1998, we launched a variant drip irrigation system aimed at small farms, with features that better suit India's small farms and poor water quality.

- *Service support for products:* We assist our customers in designing MIS products installed by collecting and analyzing water and soil samples and recommending remedial measures. For larger projects, we also assist farmers in installing and maintaining our MIS products through our crew of trained technicians.

- *Strong agronomic support to farmers:* We employ experienced agronomists who are available to educate our customers about irrigation and fertigation scheduling and better agronomic practices.

- *System demonstration through field R&D:* We demonstrate the benefits of drip irrigation through our 2,000 acre Jain Hitech Agricultural Institute, where drip technology and wasteland reclamation are demonstrated through water harvesting techniques and watershed planning.

Raw Materials and Sourcing Arrangements

Our principal raw materials for the manufacture of drip irrigation products comprise LLDPE polymer (for tubing), PVC (for mains and sub-mains lines), HDPE (for sprinkler pipes), engineering polymers like PPCP, PP, ABS, nylon, poly acetyl, PBT (for injection moldings) and master batches, galvanized iron sheets and metal valves (for filters and filtration). We typically purchase these raw materials from suppliers located in India. We do not have a long-term supply arrangement with any supplier.

Our Manufacturing Process

We manufacture the tubing for our drip irrigation products using a hot-melt extrusion process with water cooling from LLDPE. In this process, LLDPE is extruded using a co-extrusion process for multi-layer polytube. A second extruder is used for marking yellow or red color twin stripes, which are our registered trademarks in India. An extrusion line consists of, among others, an extruder, inserting unit, vacuum tank and cooling tank, laser and coiler. During extrusion, in-line emitters are inserted inside the tube at pre-determined intervals and hot welded with the tube. Holes are drilled in the tubing at the water well area of emitters using fine laser technology to facilitate the emission of water. Fittings and other accessories required in drip irrigation systems are manufactured in-house at our injection molding division. Tooling and molds are also built in-house.

Sprinkler Irrigation Systems

Our Sprinkler Irrigation Systems

Sprinkler irrigation is a method of applying irrigated water in a manner similar to rainfall. Water is distributed through a system of pipes, usually by pumping, and then sprayed into the air to saturate the ground with small water drops. Sprinklers can provide efficient coverage for both small and large areas, and are suitable for a wide range of properties and irrigable soils since they are available in a wide range of discharge capacities. Our sprinkler systems are designed to offer improved water saving, affordability and ease of installation. The products are made out of high-strength and chemical-resistant engineered plastics to meet functional requirements and maintain cost efficiency.

Our sprinklers are manufactured and tailored for various field crops such as wheat, grains and pulses as well as vegetables, cotton, soya beans, tea, coffee and other fodder crops.

The primary end users of our sprinkler irrigation systems are Indian farmers. Additionally, we sell our sprinkler irrigation systems to residential users and commercial enterprises such as hotels, resorts and golf courses for landscape irrigation.

Our sprinkler product range includes sprinkler pipes, impact sprinklers, floppy sprinklers, rain guns and pop-up rotors and sprays. We primarily manufacture lawn and overhead sprinklers. Pop-up spray heads are used for lawn sprinklers, while overhead sprinklers are designed for field use and are available in portable, semi-portable and solid set systems with various flow rates.

We also manufacture Rainport™ irrigation systems, which are mini sprinkler irrigation systems that can be easily relocated and installed. Our Rainport™ irrigation systems comprise flexible PE tubes which are connected with high performance, low weight plastic sprinklers using easily detachable connectors. The sprinklers are fixed on mild steel riser rods. Our Rainport™ irrigation systems are designed to use water and electricity more efficiently, distribute water more uniformly and require less water pressure than conventional sprinkler irrigation systems. In addition, our Rainport™ irrigation systems are also designed to operate with high distribution uniformity, controlled application rate, gentle precipitation, low droplet impact on soil structure in order to avoid foliage damage, and short irrigation cycles to provide optimal growing conditions with highly accessible water and nutrients in a controlled wetted and aerated soil profile. The primary end users of our Rainport™ irrigation systems are farmers.

The following table sets forth further details of our sprinkler irrigation systems product range:

Product	Range	Applications
Sprinkler pipes.	50 to 200 mm (2.5 to 16 kg/cm^2)	Sprinkler irrigation, water conveyance uses
Plastic mini sprinklers (Acurain)	Up to 950 lph	Tree crop, field crops, row crops, nurseries, greenhouses
Impact sprinkler.	25 to 43 lpm (2.5 to 16 kg/cm^2)	Field crops and closely spaced low income field crops
Rainguns	1.3 to 25 lps (2 to 7 kg/cm^2)	Field crops, closely spaced row crops, sports field irrigation, dust suppression
Pop-up rotors and sprays . . .	to 4.4 lps (2 to 7 kg/cm^2)	Landscapes, golf courses, sports field irrigation

Raw Materials and Sourcing Arrangements

Our principal raw materials for the manufacture of sprinkler irrigation systems comprise HDPE (for pipes), metal nozzles, metal risers and master batches. We typically purchase these raw materials from suppliers located in India. We do not have a long-term supply arrangement with any supplier.

Our Manufacturing Process

We manufacture our sprinklers using a hot-melt extrusion process with water cooling from HDPE. In this process, HDPE granules are used for extrusion of pipes. Injection molded couplers are welded to the pipe so as to make the pipe easy to assemble and disassemble. All other fittings, such as tees, elbows, saddles, end caps and pump connectors, are injection molded. Metal risers and sprinklers are then affixed on saddles on the quick connect sprinkler pipes.

Solar Pumping Systems

We offer integrated irrigation solutions by combining our MIS products with our solar pumping systems. Water is pumped from water sources such as wells using our solar pumping systems and fed into the irrigation systems assembled using our MIS products.

Our solar pumping systems comprise PV solar panels and pump modules. Under this system, PV solar panels produce direct-current electricity which is fed to controllers. The controllers regulate electricity and subsequently feed it to the pump motor to create suction to lift water. The PV solar panels must be installed in shadow-free areas. We do not utilize batteries in our solar pumping systems but they are able to utilize single or three-phase alternating current electricity input with a power pack system to convert alternating-current electricity to direct-current electricity during periods with no sunlight. We utilize a brushless direct-current motors. Our pump modules work in cloudy conditions, even in heavy rains.

We manufacture surface pumps which are available from 0.1 Hp to 3.0 Hp. While the maximum suction head is six to eight meters, the maximum vertical lift is 120 meters. The maximum flow rate of 37,000 lph can be achieved at minimum head. We also manufacture submersible pumps which are available in centrifugal and helical rotor models from 0.5 Hp to 24.0 Hp. The maximum total head available is 350 meters. A maximum flow rate of 90,000 lph can be achieved at minimum head. We also manufacture solar hand pumps which are available up to 2.0 Hp.

Integrated Irrigation Projects

We undertake integrated irrigation projects on a turnkey basis. For example, we provide end-to-end irrigation solutions which we refer to as "Jain Integrated Irrigation Solution" which are aimed to improve the water conveyance and distribution efficiencies of conventional irrigation systems. As part of these services, we study, design, install and commission integrated irrigation systems and provide after sales service and operational and maintenance services. These services allow us to integrate our extensive product portfolio of MIS products and piping systems into these irrigation systems. We also provide training to the users of such irrigation systems. For example, we construct sprinkler irrigation systems and pipeline networks for farmers through water user associations. The scope of these services include surveying command areas, designing, supplying, installing, testing and commissioning pumping systems and motors for individual blocks, if required, and providing detailed design for the piping systems and valves such as with respect to diameter and pressure ratings. These irrigation systems constitute an integrated system from the point of water lifting at the delivery chamber to the sprinklers that are set in the farmers' fields. We also construct sumps, valve chambers, pump houses, substations and overhead line transformers, and provide service connections to pump houses. In addition, we provide training for the users of these integrated irrigation systems and provide maintenance services for a two-year period from commissioning. We also provide product warranty for defects for a period of one year from completion of the maintenance period.

Cultivated Tissue Culture Plants

Our cultivated tissue culture products include tissue culture plants, hybrid seedlings and grafted plants. Cultivated tissue culture plants are produced by cultivating plant tissue or cells in lab conditions. Cultivated tissue culture plants are healthy, free from genetic disease and uniform in growth and replicate the original plant. Cultivated tissue culture plants typically mature earlier, which allows for optimal use of limited land space. Currently, we offer cultivated tissue cultures of various types of bananas, pomegranates and strawberries. In addition, we also produce hybrid onion seedlings and mango, citrus, guava, gooseberry and sapota grafted plants.

Precision Farming Products

We manufacture precision farming products such as greenhouses, poly-houses and shade houses, as a low-cost method of creating semi-controlled environments for enhancing quality, increasing crop yields and focusing on value-added crops.

Advisory Services

We offer fee-based advisory services such as agricultural consultancy, training, agronomy services, surveys and analysis of water and soil samples.

Plastic Products

Our plastic products segment in India comprises piping systems, PVC sheets and turnkey services. Revenue from sales of plastic products in India accounted for 24.1% and 24.7% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

Piping Systems

Our piping systems comprise PVC and PE pipes and fittings, which are described below. We also provide turnkey services combining our MIS products and piping systems. Revenue from sales of PVC and PE pipes and fittings in India accounted for 22.1% and 23.1% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

PVC Pipes and Fittings

Our PVC Pipes and Fittings

Our PVC pipes and fittings product range includes low and high pressure irrigation and water supply pipes, specialty PVC casing and screen pipes for bore-wells, ribbed and spring-flow pipes, low pressure drainage and sewage pipes, cable duct pipes, plumbing and conduit pipes and fabricated and molded accessories.

Our PVC pipes and fittings are used mainly for water supply, farm irrigation, and drainage and sewage transmission. The primary end users of our PVC pipes and fittings are Indian farmers and commercial and government enterprises.

The following table sets forth further details of our PVC pipes and fittings product range:

Product	Diameter	Applications
Solvent-weld and quick fix pipe	16 to 630 mm	Potable water, lift and gravity irrigation, irrigation systems, chemical conveyance, cooling tower, hydro power station
Well casing and screen pipe .	42 to 630 mm	Tube wells and bore wells, piezometric wells, waste disposal, injection wells
Column and riser pipes	40 to 200 mm	Submersible column pipes, agricultural pumpset, portable pumping system
Drainage and sewage and soil, waste and rain pipe. .	63 to 630 mm	Soil and waste discharge systems, rain water system, ventilation systems
Plumbing systems	21 to 114 mm; 15 to 54 mm	Residential and commercial complex, rising and distribution mains, cold water supply

Raw Materials and Sourcing Arrangements

The principal raw materials for our PVC pipes and fittings comprise PVC resin, chemicals such as TIO2, calcium carbonate, master batches and additives. We typically purchase these raw materials from suppliers located in India. We do not have a long-term supply arrangement with any supplier.

Our Manufacturing Process

We manufacture PVC pipes and fittings through extrusion. PVC resin is initially mixed with additives resulting in a compound which contains stabilizers, lubricants and carbonate. We add stabilizers to the compound to facilitate the absorption of hydrogen chloride in order to minimize the dehydrochlorination reaction which occurs during extrusion and achieve stability of the compound. The compound is then fed into the screw extruder which has barrel and counter-rotating screws. A calibrator is circulated with water to remove heat from the softened compound, which is then sprayed with water inside the cooling tank. The compound then solidifies and maintains the circular shape, and it is pulled by the haul off. This helps to maintain the uniform thickness and diameter of the pipe. The pipe is then cut into the required lengths by means of a circular saw. When these processes are completed, we can manufacture specialty pipes by turning and slitting extruded pipes on lathe machines.

PE Pipes and Fittings

Our PE Pipes and Fittings

We manufacture a wide range of PE pipes and fittings for water supply and farm irrigation, cable ducting, gas distribution and sewage and effluent transportation. Our product range includes specialty casing and screen pipes for bore-well, pipes for LPG and gas distribution, low pressure drainage, sewage and effluent conveyance, cable duct pipes and fabricated and molded accessories. The primary end users of our PE pipes and fittings are Indian commercial enterprises, such as telecommunication companies, gas distribution companies and infrastructure companies and government agencies. We also sell our PE pipes and fittings to farmers in India.

The following table sets forth further details of our PE pipes and fittings product range:

Product	Diameter	Applications
PE pipes	Up to 2,000 mm	Marine and submarine lines, pumping main and distribution lines, lift and gravity irrigation, suction and delivery pipes, irrigation systems
Water distribution and house service pipes	20 to 2,000 mm	Potable water distribution network and rising main, house service connections
Silicoat PE permanently lubricated ducts	Micro ducts: 3/1.5 to 16/10 mm(1) Optic fiber cable ducts: 29/33 to 50/43 mm(1)	Optic fiber network for telecom and data networks, fiber-to-the-home application
Corrugated pipes	Single wall corrugated: 63/52 to 250/215 mm(1) Double wall corrugated: 63/51 to 250/215 mm(1)	Power cable, conduit and telecom cable duct, drainage and sewage lines, building and construction
PE gas piping systems	20 to 315 mm	Natural gas, industrial gas distribution, landfill
PE and PP sewage pipes	63 to 2,000 mm	Sewage, effluent conveyance, chemical conveyance, mining

(1) Diameters are provided for the outer/inner layers of the respective types of pipe.

Raw Materials and Sourcing Arrangements

Our principal raw materials for the manufacture of PE pipes and fittings comprise HDPE, MDPE and master batches. We typically purchase these raw materials from suppliers located in India. We do not have a long-term supply arrangement with any supplier.

Our Manufacturing Process

In our PE pipes and fittings manufacturing process, HDPE granules are fed into a processing machine which extrudes the pipes. The polymer melt from the extruder barrel is then pushed by a screw through a die and mandrel to acquire the pipe shape. The size of the pipe is fixed by a calibrator. Extruded pipes are cooled in cooling tanks and then cut into suitable lengths.

PVC Sheets

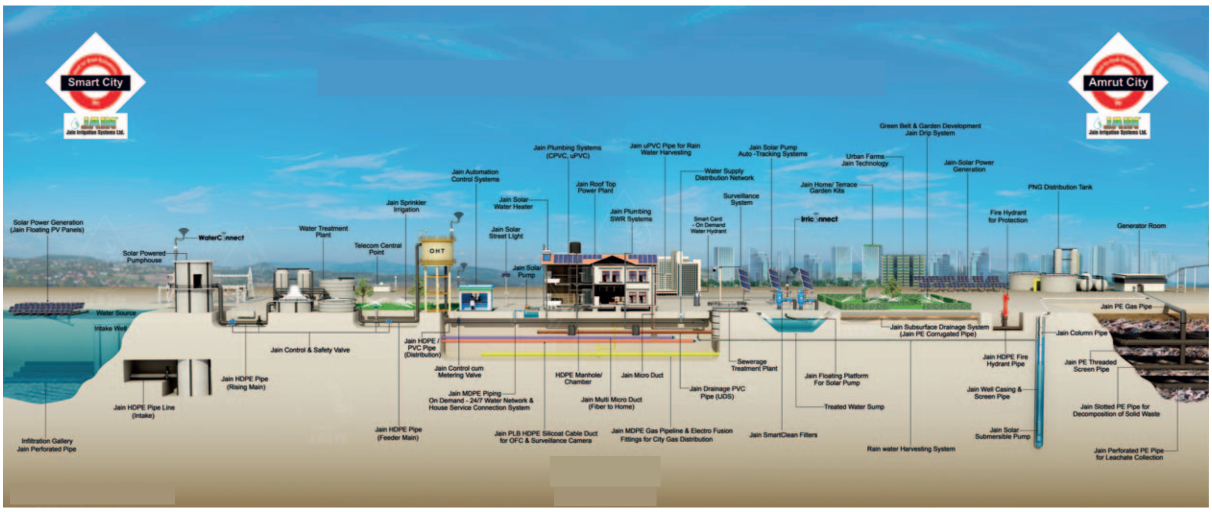
Our PVC sheets product range includes free-foam sheets, integral foam sheets, rigid sheets and trim boards in various widths, thicknesses and colors. Our PVC free-foam sheets are lightweight, low density chemically expanded foamed PVC with a fine and homogenous cell structure. They are suitable for indoor and outdoor use and are produced with a semi-matte finish or a glossy finish. The primary end users of our PVC sheets are Indian and international sign makers, home builders, boat building companies and industrial users. We believe our PVC sheets are an ideal surface for advertising signs, graphics, painting, embossing and engraving, and are a preferred material for exhibition and trade fair displays. They also have a wide application in construction and interior design including partitions, shelving, ceilings and panels. Our plastic sheets are typically sold to dealers under the "Ex-Cel" brand.

Turnkey Services

We provide turnkey services combining our MIS products and piping systems. Our turnkey services comprise engineering, procurement and construction services of piping systems, which are designed to have no leakage and negligible wastage and no contamination of water, in order to provide reliable water supply to society, increased water use efficiency and sustainable water management. For example, we provide water efficiency solutions under which we construct water supply systems for city municipal corporations. As part of these services, we provide and construct HDPE piping systems for an around-the-clock water supply network and MDPE piping systems for house service connections which are equipped with water meters. We also establish distribution networks, which provide for billing services, and customer care centers.

We also provide other water efficiency solutions at certain districts in India where we construct piping systems for sewage and waste water for industrial or residential purposes that utilize the solar pumping systems that we produce. As part of these services, we conduct the surveying, planning, design, supply, laying and commissioning of HDPE piping systems, construction of sumps and pump houses, renovation of ponds as well as installation of solar pumping systems.

We intend to continue expanding our capabilities to provide turnkey services and capture the significant opportunities for growth provided by anticipated increases in infrastructure spending by governments in India and abroad. For instance, the Government of India is currently promoting the "Smart City" initiative in which it aims to provide core infrastructure to its citizens in order to realize an improved quality of life and maintain a clean and sustainable environment. The following diagram sets forth examples of the products and services that we may provide for the Government's Smart City initiatives:



Recently, we secured a Rs.2,844.4 million contract from the Government under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme to design and construct water supply systems at Bijapur and Bagalkot in India. The works that we are required to conduct under these projects include conducting surveys, benchmarking, designing, implementing and commissioning a continuous pressurized distribution system and establishing house service connections. The project design and execution phase is planned to take place within the next 24 to 36 months and subsequently the operations and maintenance phase is planned to take place for a period of 60 months.

Agro-Processed Products

Our agro-processed products comprise dehydrated onion and vegetable products and processed fruit products, which are described below. Revenue from sales of agro-processed products in India accounted for 12.2% and 10.8% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

Dehydrated Onion and Vegetable Products

Our Dehydrated Onion and Vegetable Products

We manufacture dehydrated onion and vegetable products and market them under the "Jain FarmFresh" brand. Our primary customers for our dehydrated onion and vegetable products are multi-national food companies in India and other parts of Asia, Europe and the American continents. Our product range includes sliced, diced, chopped, granulated, powdered, toasted and fried products. Dehydrated onion and vegetable products are used in dry soup mix, pizza toppings, sauces and many other processed foods. Dehydrating foods reduces the moisture in them to levels that inhibit the microbial growth that causes them to rot thereby increasing shelf life. Dehydration is also a key input in the conventional food processing industries.

Subject to commercial viability, we plan to expand our operations to include the dehydration of other vegetables such as certain spices.

Raw Materials and Sourcing Arrangements

We source fresh onions and other harvested vegetables grown in close proximity to our dehydration plants. We typically source approximately 60% of our fresh onion requirements from farmers with whom we have purchase arrangements. Under these arrangements, we sell high yielding and hybrid onion seeds to these farmers and purchase fresh onions from them. We purchase fresh onions from these farmers at either their minimum guaranteed price, which is agreed for each growing season, or at or around the market price, whichever is higher. We have teams of farming consultants located at the villages in which these farmers operate. These consultants provide technical knowhow and support to such farmers. As part of our services to these farmers, we cross-sell our MIS products in order to ensure their ability to generate sustainable yields. We also implement Jain Good Agricultural Practices and Sustainable Agricultural Codes to promote traceability, food safety, worker welfare, hygiene, sanitation as well as environmental and biodiversity protection, conservation and enhancement.

Our Dehydration Process

Cultivated raw materials are transported to our processing plants to be cleaned, sorted and undergo removal of foreign matters. They are then washed for disinfection, peeled, inspected and cut into specified sizes. At our dehydration plant, the cut pieces are fed to continuous belt dryers for dehydration and hot air is passed through the dryer to take out the water/moisture. The dehydrated intermediate products are then milled in our modern, custom-built mill to be processed into the form that suits our customers' requirements and stored at our various cold storage units and warehouses.

Processed Fruit Products

Our Processed Fruit Products

We market our processed fruit products under the "JainFarmFresh" brand. Our primary customers for our processed fruit products are beverage and juice companies in India and overseas. Our major processed fruit products are frozen pulps, purees and concentrates, frozen fruit slices and dices made from mangoes, strawberries, bananas, papayas, pomegranates, jamun, guavas, gooseberries, tomatoes and other fruits.

Our ability to process various types of fruits has reduced our dependence on seasonal products, which allows us to operate our manufacturing facilities for between 10 and 11 months per year. We recently launched frozen mango pulp retail products under the "AamRus" brand. We aim to add our retail products range and expand into the export of fresh fruits.

Consistent with our strategy to expand our product offering, we have entered into a memorandum of understanding with Hindustan Coca-Cola and the state government of Maharashtra for the development of a manufacturing facility to produce orange juice and orange juice concentrates and a nursery to cultivate orange plants. We plan to commence development of this project in 2017.

Raw Materials and Sourcing Arrangements

Our principal raw materials to manufacture our processed fruit products are selected varieties of mangoes, strawberries, bananas, papayas, pomegranates, jamun, guavas, gooseberries, tomatoes and other fruits. These raw materials are typically sourced from farmers or markets near the growing regions mostly in an open auction process. We currently source a significant portion of such fruits from the open market, although we also purchase certain fruits such as bananas and mangoes under purchase arrangements with farmers and intend to increase such purchases.

Our Manufacturing Process

The fruits for our processed fruit products are transported to our processing plants where they are sorted, inspected and washed. The fruits are placed into crates and ripened in our ripening chambers under controlled conditions if required. Once ripened, the fruits are washed, peeled, cut, inspected, pulped and homogenized. They are then processed thermally and packed aseptically to retain the taste, color and aroma of fresh fruit. Finished products are stored at low temperatures of up to 10°C in our cold storage facilities. The fruits for our frozen products are inspected, sorted, washed, hand peeled, diced/sliced, frozen and packaged. Once packaged, they are stored in cold storage at -20°C.

Biogas Power Generation

We operate a biogas power plant with an installed capacity of 1.67 MW at Food Park in Jalgaon, Maharashtra. Our biogas power plant produces energy by utilizing agricultural, industrial and fruit wastes generated by our manufacturing facilities at Food Park, Jalgaon and by other nearby agro-based industries. Our biogas power plant has been certified as a first-of-its-kind project in India by the Ministry of New and Renewable Energy of India. Our biogas power plant is connected to the state electricity grid and provides the electricity it generates to our manufacturing plant at Food Park, Jalgaon.

Other Products and Services

Our other products and services include renewable energy systems and solar power generation. Revenue from sales of other products and services in India accounted for 2.0% and 2.4% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

Renewable Energy Systems

We manufacture two types of renewable energy systems, namely solar water heater systems and solar lighting systems.

Our solar water heater systems comprise flat plate collectors, vacuum tube collectors and evacuated tube collectors which we manufacture for domestic uses. Under this system, flat plate collectors, vacuum tube collectors and evacuated tube collectors capture and retain heat from sunlight and use it to heat water. We sell flat plate collector water heater systems under the "Jain

Sunrise” brand, which is designed for non-pressurized application for both open and close loop types generally with capacities of between 100 to 500 lpd, and the “Jain Sunglow” brand, which is designed for pressurized applications and poor quality water. We sell evacuated tube collector water heater systems under the “Jain Sunlight” brand, which is designed for non-pressurized application generally with capacity of between 100 to 500 lpd.

Our solar lighting systems comprise PV solar panels and lighting modules. We manufacture PV solar panels made from high-efficiency mono- or multi-silicone crystalline solar cells, which are able to generate electricity at 14.0% to 17.5% efficiency. We purchase these silicone crystalline solar cells from third parties. The cells are encapsulated in a low iron content, high transmissivity tempered glass using UV-stable ethylene vinyl acetate sheets. These back sheets protect the cells from environmental conditions. The cells are framed with strong and anodized aluminum profile with multiple holes for ease of installation. In addition, we manufacture compact fluorescent lamp and LED lamp appliances such as lanterns, street lights and home lighting systems.

Solar Power Generation

We operate a solar power plant with an installed capacity of 8.5 MW at Green Energy Park in Jalgaon, Maharashtra. Our solar power plant is connected to the state electricity grid and sells the electricity it generates to third parties.

Our International Business

We operate certain independent international businesses which complement our operations in India. The following provides details of the operations of our principal international subsidiaries.

NaandanJain Irrigation, Israel

We own a 100.0% interest in NaandanJain Irrigation, a producer of MIS products headquartered in Naan, Israel. NaandanJain Irrigation has been in operations since 1937. NaandanJain Irrigation’s products include:

- drip irrigation systems: pressure compensating drip lines, non-pressure compensating thick-walled drip lines, non-pressure compensating thin-walled drip lines, drip tapes, button drippers, gravity-powered drip irrigation systems and drip irrigation system accessories;

- sprinklers: overhead sprinklers, under-tree sprinklers and accessories for sprinklers;

- micro-sprinklers: micro-sprinklers, misters and foggers and accessories for micro-sprinklers;

- residential and landscaping irrigation systems: drip lines, micro sprinklers, pop-up sprinklers, sprinklers and accessories; and

- accessories: valves, filters, controllers and automatic filters.

The primary customers of NaandanJain Irrigation’s products are dealers located in Israel, Europe and South America. NaandanJain Irrigation sells its products primarily under the “AmnonDrip”, “TopDrip”, “TalDrip” and “Eliminator” brands. NaandanJain’s primary raw material is PE.

NaandanJain Irrigation operates manufacturing facilities in Israel, Turkey, Spain, Brazil and Chile. NaandanJain Irrigation has a policy to allocate approximately 1.0% of its revenues for R&D.

Revenue of NaandanJain Irrigation accounted for approximately 13.6% and 14.7% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

Jain USA, United States

We own a 100.0% interest in Jain USA, a producer of MIS products and irrigation monitoring devices and software headquartered in Fresno, California. Jain USA's products include emitter line drip tapes, emission devices, sprinklers, greenhouses and nurseries, fittings, filters, air vents and pressure regulators, irrigation valves, fertigation units, irrigation controllers, tools and accessories and tubing. As a leading agricultural technology player, Jain USA also produces irrigation monitoring devices and software which monitor and analyze soil moisture, nitrogen, nutrient and weather conditions under the "Puresense" brand. Our "Puresense" products provide technology and software for farmers to monitor irrigation requirements at crop root levels on a real time basis. In addition, we have developed a wireless sprinkler with modifiable water flow and pattern under the "Genesys" brand.

The primary customers of Jain USA's products are large-scale dealers and distributors located across the United States. Jain USA sells its products primarily under the "Chapin", "Aquarius", "API", "Pepco", "PSI", "Naan Dan Jain", "Puresense" and "Genesys" brands. Jain USA's primary raw material is PE.

Jain USA operates manufacturing facilities in Fresno, California; Watertown, New York and Haines City, Florida.

Revenue of Jain USA accounted for approximately 7.3% and 5.9% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

Cascade, United States

We own a 100.0% interest in Cascade, a producer of dehydrated onion products headquartered in Boardman, Oregon. Cascade's products include onion powder, granulated onions and large cut onion flakes. Cascade's primary raw materials are fresh onions. The primary customers of Cascade's products are multi-national food companies located in the United States and Europe.

Cascade's operations include its White Oak Frozen Foods division in Merced, California, which produces reduced moisture frozen vegetable products. These products can also be fire roasted. White Oak Frozen Foods's products include frozen conventional and organic jalapenos, tomatoes, peppers, onions and mushrooms. White Oak Frozen Foods's primary raw materials are conventional and organic jalapenos, tomatoes, peppers, onions and mushrooms. The primary customers of White Oak Frozen Foods's products are multi-national food companies located in the United States.

Revenue of Cascade accounted for approximately 3.7% and 2.2% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

Sleaford, United Kingdom

We own a 100.0% interest in Sleaford, a producer of spices and other food ingredient products headquartered in Sleaford, United Kingdom. Sleaford's products include spices, spice blends, seasonings, flavors, dehydrated vegetables, savory mixes and other food ingredients. Sleaford sells its products under the long-standing "Chef William" brand, which has been in use for more than 25 years. Sleaford's primary raw materials are dehydrated vegetables such as onion, garlic and spices, berries, fresh onions, apples and prunes, tomatoes, pulses and baking products. The primary customers of Sleaford's products are multi-national food companies located in the United Kingdom and Europe. Revenue of Sleaford accounted for approximately 7.9% and 7.0% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

THE Machines, Switzerland

We own a 100.0% interest in THE Machines, a producer of capital machinery and equipment headquartered in Yvonand, Switzerland. THE Machine's primary products are:

- irrigation pipes production lines for flat drippers, cylindrical drippers and drip tapes;
- equipment for multilayer pipes production (composite pipes);
- equipment for precision forming and welding of thin wall metal pipes;
- equipment for laser cutting and welding of coated and uncoated metal tapes; and
- other machinery for the plastic pipes and cable industry.

THE Machines also manufactures quality control and testing equipment, automation equipment, laser machine centers and laser products. THE Machines's operations includes R&D on "next generation" irrigation systems, including developing thin emitters and tape lines which require less material to produce and which are capable of being applied across multiple crops.

The primary customers of THE Machine's products are international manufacturers of irrigation piping products. Revenue of THE Machine accounted for approximately 0.7% and 0.6% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

Ex-Cel Plastics, Ireland

We own a 100.0% interest in Ex-Cel Plastics, a producer of PVC sheets headquartered in Monaghan, Ireland. Ex-Cel Plastics's products include premium PVC sheets under the brand "Ex-Cel Impress" which are designed for digital printing application, affordable PVC sheets under the brand "Ex-Cel Connect" which are designed for standard digital printing application, colored PVC sheets under the brand "Ex-Cel Colours" and celuka PVC sheets under the brand "Ex-Cel Integral Foam" which are designed for furniture, wall-cladding and ceilings. Ex-Cel Plastics's primary raw material is PVC. The primary customers of Ex-Cel Plastics's products are sign makers, home builders, boat building companies and industrial users located in Europe. Revenue of Ex-Cel Plastics accounted for approximately 1.8% and 2.2% of our total revenues for the six months ended September 30, 2015 and 2016, respectively.

Global Operations

The following map sets forth our operations in India:

The following map sets forth our international operations:

Manufacturing Facilities

We have 12 manufacturing facilities located in India. Such manufacturing facilities are located in:

- Plastic Park, Jalgaon (Maharashtra): facilities for manufacturing drip and sprinkler irrigation systems, piping systems, PVC sheets and greenhouses;
- Food Park, Jalgaon (Maharashtra): facilities for onion and vegetable dehydration and fruit processing;
- Energy Park, Jalgaon (Maharashtra): facilities for manufacturing renewable energy systems;
- Tissue Culture Park, Jalgaon (Maharashtra): facilities for manufacturing cultivated tissue culture plants;
- Agri Park, Jalgaon (Maharashtra): facilities for manufacturing cultivated tissue culture plants;
- Food Park — I, Chittoor (Andhra Pradesh): facilities for fruit processing;
- Food Park — II, Chittoor (Andhra Pradesh): facilities for fruit processing;
- Food Park, Vadodara (Gujarat): facilities for onion and vegetable dehydration;
- Plastic Park, Bhavnagar (Gujarat): facilities for manufacturing drip and sprinkler irrigation systems and piping systems;
- Plastic Park, Alwar (Rajasthan): facilities for manufacturing piping systems;
- Agri Industrial Park, Udumalpeth (Tamil Nadu): facilities for manufacturing drip and sprinkler irrigation systems, piping systems and cultivated tissue culture plants; and

- Plastic Park, Hyderabad (Telangana): facilities for manufacturing MIS products and piping systems.

We have 18 manufacturing facilities located outside of India. Such manufacturing facilities are located in:

- Fresno, California, United States: facilities for manufacturing MIS products;
- Merced, California, United States: facilities for manufacturing frozen vegetable products;
- Haines City, Florida, United States: facilities for manufacturing MIS products;
- Chicopee, Massachusetts, United States: facilities for manufacturing plastic siding and building products from PVC sheets;
- Watertown, New York, United States: facilities for manufacturing MIS products;
- Boardman, Oregon, United States: facilities for onion and vegetable dehydration;
- Sao Paolo, Brazil: facilities for manufacturing MIS products;
- Colina, Chile: facilities for manufacturing MIS products;
- Monaghan, Ireland: facilities for manufacturing PVC sheets;
- Dan, Israel: facilities for manufacturing MIS products;
- Gavish, Israel: facilities for manufacturing MIS products;
- Naan, Israel: facilities for manufacturing MIS products;
- Mexico City, Mexico: facilities for manufacturing MIS products;
- Valencia, Spain: facilities for manufacturing MIS products;
- Yvonand, Switzerland: facilities for manufacturing extrusion machines;
- Wynau, Switzerland: facilities for manufacturing injection molds and hotrunner systems;
- Adana, Turkey: facilities for manufacturing MIS products; and
- Lincolnshire, United Kingdom: facilities for processing dehydrated vegetable products.

The following table sets forth certain details of the installed capacity of our manufacturing facilities by products and geography as of September 30, 2016:

		As of September 30, 2016		
		India	Overseas	Total
Products	**Unit**	**Installed Capacity**		
MIS products	tons	257,720(1)	58,507(2)	316,227
Cultivated tissue culture plants	number in millions	90	—	90
Piping systems	tons	334,020(1)	—	334,020
PVC sheets	tons	18,400(1)	8,750(3)	27,150
Dehydrated onion and vegetable products	tons	33,148(4)	38,937(5)	72,085
Processed fruit products	tons	159,000(6)	—	159,000
Solar water heater systems	liters	5,000,000(7)	—	5,000,000
PV solar panels	watts	55,000,000(8)	—	55,000,000

Note:

(1) Installed capacity is calculated based on 7,300 hours of operations per year.

(2) Installed capacity is calculated based on between 4,000 to 8,520 hours of operations per year.

(3) Installed capacity is calculated based on between 2,000 to 6,000 hours of operations per year.

(4) Installed capacity is calculated based on 7,000 hours of operations per year.

(5) Installed capacity is calculated based on between 2,040 to 5,760 hours of operations per year.

(6) Installed capacity is calculated based on 2,700 hours of operations per year.

(7) Installed capacity is calculated based on 4,800 hours of operations per year.

(8) Installed capacity is calculated based on 7,300 hours of operations per year.

Sustainable Agro-commercial Finance Limited

We have a 49.0% interest in SAFL, a non-banking financial company which focuses on providing financing solutions to Indian farmers. The remaining shareholding in SAFL is held by members of the Jain family (21.0%), Mandala Capital Ltd (20.0%) and the International Finance Corporation (10.0%). SAFL provides certain financing solutions to Indian farmers including financing for the purchase of MIS products, farm equipment, piping systems, motors and pumps for lift irrigation, solar modules, crops, livestock, sheds and two wheel vehicles. SAFL also provides financing for contract farming, agricultural projects and business ventures. SAFL's average loan size to each farmer is approximately Rs.120,000.

SAFL began its operations in July 2012 and is headquartered in Mumbai. SAFL had a distribution network of six zonal offices, 23 branches and 38 satellite offices in Maharashtra, Karnataka and Madhya Pradesh and a sales staff of 98 personnel as of September 30, 2016. SAFL plans to expand its operations in existing states as well as in Gujarat, Tamil Nadu, Rajasthan and Haryana, with a goal of reaching 250 offices within five years.

SAFL's current capital adequacy ratio was approximately 77.8% as of September 30, 2016. As of March 31, 2014, 2015 and 2016 and September 30, 2015 and 2016, the total outstanding loans of SAFL was Rs.948.9 million, Rs.1,564.1 million, Rs.2,040.0 million, Rs.1,917.0 million and Rs.2,184.2 million, respectively. SAFL's net profits was Rs.1.4 million, Rs.17.2 million, Rs.633.3 million, Rs.25.9 million and Rs.29.5 million for fiscal years 2014, 2015 and 2016 and the six months ended September 30, 2015 and 2016, respectively.

Research and Development

We focus our R&D operations in the technical development of new products and improvement of existing products. Our R&D team is also responsible for developing new and more efficient production processes and the enhancement of existing production processes. In addition, our agricultural R&D team is responsible for developing new hybrids of high yielding and pest resistant plants and innovative ways for enhancing farm output. We believe that providing timely and cost-effective improvements in product quality is a key factor in ensuring customer satisfaction and retention. Our R&D operations typically involve close cooperation with our customers. We operate five farms in India where we conduct R&D to test and develop our products. We have established a dedicated R&D team for each of our business lines. Our R&D team is based at our R&D facilities located at Jalgaon, Maharashtra and our R&D facility in Udumalpeth, Tamil Nadu and Takarkheda, Jalgaon. Our R&D facilities at Agri Park in Jalgaon, Maharashtra is certified with ISO/IEC 17025:2005 certifications by the National Accreditation Board for Testing and Calibration Laboratories and the ISO 9001 certification. We also operate R&D facilities in Israel, Switzerland and the United States.

As of September 30, 2016, we employed 170 R&D personnel. Our R&D expenditure was Rs.239.7 million, Rs.262.8 million and Rs.295.2 million for fiscal years 2014, 2015 and 2016, respectively.

Our current R&D activities include:

- *hi-tech agri input products*: developing pressure compensation products; developing biaxially-oriented thin-walled irrigation tubing; developing smart clean automatic screen filters; developing automated irrigation systems; developing plastic tanks for solar water heater systems; developing new MIS components; conducting a pilot project for the commercialization of cultivated sweet orange tissue culture plants; developing new varieties of cultivated tissue culture plants including coconut, sugarcane and potatoes and certain varieties of guava and mango; developing solar pumping systems; and conducting various R&D projects for solar motors and pumps;

- *plastic products*: developing transparent PVC pipes and fittings; developing higher thickness PVC foam sheets and PVC integral foam sheets; developing new integral foam sheets for wood replacement application; and developing large diameter HDPE fabricated fittings;

- *agro-processed products*: developing new formulations of fruit snack products and processed fruit pulp products for the retail markets; identifying, selecting and developing cumin, ginger and turmeric varieties for spice processing; and developing other processed spice products; and

- *other products and services*: developing high efficiency solar LED street light systems; developing solar home light power pack systems; conducting various R&D projects for alternating current electricity submersible motor and PV solar panels; and developing product lines for the manufacturing of emitters.

Collaboration with Universities and Research Institutions

We have entered into several memorandums of understanding with certain agricultural universities, international institutes and the Indian Council of Agricultural Research for the advancement of agricultural research. We offer scholarships and provide free boarding, lodging, coverage for travel and contingency costs and farming and laboratory equipment and chemicals. We also have a campus in Jalgaon in Maharashtra which has a library and internet facilities as well as an additional facility at Udumalpeth in Tamil Nadu. There were 15 doctoral students conducting research at our campuses as of September 30, 2016.

In addition, we also install MIS demonstration units at the campuses of our partner universities in order to train students, farmers and government officials and extension workers and raise the awareness of MIS.

We have established the Jain Hitech Agricultural Institute to further agricultural research and foster the sharing of knowledge among our stakeholders, including farmers, government officials, dealers, academics, students and members of the general public. The Jain Hitech Agricultural Institute has facilities as well as in-house faculty staff at Jalgaon and Udumalpeth to conduct long-term and short-term training courses, exposure visits and field days relating to hi-tech agriculture and horticulture for farmers and agricultural workers on a concessional and free-of-cost basis. These facilities include training halls, residential facilities for training, crop and technology demonstration sites and exhibition grounds. We have provided training to over 300,000 people through the Jain Hitech Agricultural Institute.

Customers

Indian farmers typically rely on government subsidies when purchasing MIS products which cover at least 35% of the purchase price of such MIS products.

We sell a substantial portion of our MIS products and piping systems to dealers in India. In fiscal year 2016, sales to dealers in India accounted for 40.9% of our total sales of MIS products and 53.3% of our total sales of piping systems. We had 6,527 dealers in India for our hi-tech agro input products and plastic products as of September 30, 2016. We generally enter into standard agreements with our dealers. These standard agreements provide for a term of one year which is automatically renewed unless such agreement is rescinded or amended. Approximately two-thirds of our dealers work on an exclusive basis whereby they undertake not to deal, sell, advertise or manufacture goods of a similar type which are manufactured by our competitors. The prices at which we sell our products to our dealers are based on a price schedule which is applicable to all dealers although some prices may vary based on the location of delivery.

We rely to a significant extent on our relationships with such dealers who are critical in enhancing customer awareness of our products and maintaining our brand name. In addition, such dealers are primarily located in rural areas and constitute our primary contacts with our end customers. In addition, we provide our dealers with incentives to sell our products by way of discounts. We generally sell our products to our dealers on credit. See "Risk Factors — Risks Relating to Our Business — We depend on certain key dealers and customers in our MIS products and piping systems businesses, and our business and financial conditions may be adversely affected if we are unable to retain these dealers or customers or keep our dealers sufficiently incentivized".

During July 2015, the Indian Cabinet Committee on Economic Affairs approved the PMKSY scheme, with an objective to improve farm productivity and achieve better use of resources in Indian agriculture, through use of irrigation and other water-saving activities. The PMKSY scheme was allotted a budget of Rs.500 billion over a period of five years, from fiscal year 2016 through fiscal year 2020. The allocation for fiscal year 2017 is Rs.53 billion. Through this scheme, incentives will be awarded for irrigation projects on a district level, rather than to individual farmers. Potentially, this could allow for a greater volume of irrigation system installations to be covered by incentives, however, the availability of such incentives will be dependent on the ability of districts to submit acceptable plans under the scheme.

We derive a substantial portion of our sales of agro-processed products from Hindustan Coca-Cola, a subsidiary of The Coca-Cola Company in India, which purchases processed fruit pulps, purees and concentrates from us. For example, our sales to Hindustan Coca-Cola accounted for 12.4% of our total sales of agro-processed products for fiscal year 2016. In addition, we typically generate a substantial portion of our sales of PE pipes and fittings from a small number of corporate customers in India to whom we provide turnkey services for major projects. For example, our sales to our five largest PE pipes and fittings customers in India accounted for 43.2% of our total sales of PE pipes and fittings for fiscal year 2016.

In fiscal year 2016, our 10 largest customers accounted for approximately 15% of our total revenue while none of our customers individually accounted for 10% or more of our total revenue.

Marketing, Sales, Distribution and Customer Support

We market our products directly or through our Indian and overseas networks of distributors and dealers depending on the product segment.

Indian Market

In the Indian market, we market our hi-tech agri input products and plastic products to end customers through an extensive network of 6,527 dealers as of September 30, 2016. In addition, our sales and marketing team directly handles sales of our agro-processed products and sales of plastic products for corporate and governmental customers.

Our sales and marketing team presently has approximately 2,225 employees based in various regional offices in India as of September 30, 2016. For our products sold in India to dealers, our sales and marketing team initiates and maintains relationships with important dealers, negotiates distribution contracts, facilitates and coordinates product tests where required, consults on periodic product requirements and monitors timely delivery. The sales force also maintains close relationships with dealers and services their requirements. Approximately two-thirds of our dealers work on an exclusive basis.

In fiscal year 2012, we implemented a cash and carry policy for sales of our MIS products to dealers in India, which we hope will reduce our cash collection cycle and working capital requirements. Under this cash and carry policy, we seek to recover the entire sale proceeds from dealers for the purchases of our MIS products within 90 to 120 days. However, in Gujarat and Andhra Pradesh, we receive proceeds from sales of MIS products which are made under Government incentive programs from Government agencies generally within 120 to 180 days from the delivery of such products. Payment of such proceeds may take longer due to administrative delays or other reasons beyond our control. Approximately 44.6% of our sales of MIS products in India was made under the cash and carry policy for the six months ended September 30, 2016. We hope to reduce our gross credit days for the sales of MIS products in India from 206 days as of September 30, 2016 to between 120 and 150 days by 2019. As a result of the implementation of our cash and carry policy, we have reduced our accounts receivable of MIS products in India from Rs.17,720.2 million as of March 31, 2012 to Rs.10,309.0 million as of March 31, 2016.

The following table sets forth certain details of our domestic marketing network as of September 30, 2016:

Indian States	Dealers	Sales Persons	Depots(1)	Regional Offices
Maharashtra	3,307	503	9	18
Andhra Pradesh	319	100	3	13
Madhya Pradesh	368	48	3	1
Karnataka	497	101	2	5
Gujarat	514	294	2	5
Tamil Nadu	221	72	3	6
Rajasthan	191	68	4	3
Telangana	383	84	1	8
Other states	727	217	12	22
Total	**6,527**	**1,487**	**39**	**81**

(1) A depot is a warehouse that we operate in geographic locations where we do not operate any manufacturing facility.

International Markets

Our global distribution network is managed through our subsidiaries, except in the Middle East and Africa where we export from India. We have developed a substantial customer base worldwide, which is supported by our overseas offices and our local product specialists, if required. We have a sales presence in approximately 120 countries, including our warehouses and sales offices in 19 countries.

The following table sets forth certain details of our international marketing network as of September 30, 2016:

Continent	Distributors and Customers	Sales Managers	Agents
North America	2,231	53	31
Europe	925	38	10
South America	632	10	22
Asia	117	19	0
Australia	104	5	1
Other	19	5	2
Total	**4,028**	**130**	**66**

Quality Controls and Certifications

We have implemented a comprehensive quality management program and adhere to a strict quality control system over our entire operations. We believe our strong product quality and internal quality controls allow us to operate our manufacturing facilities efficiently by reducing defects and waste and have fostered the trust of our customers in the products that we manufacture. We implement guidelines with respect to quality, environment, occupational health and safety at each of our manufacturing facilities. Such policies include measures to (i) protect the environment; (ii) prevent injury or diseases; (iii) promote awareness of the importance of quality, environmental protection, health and safety; (iv) fulfil compliance obligations to applicable quality, environmental, and occupational health and safety regulations and (v) continuing improvement of quality, environmental, occupational health and safety performance.

With respect to our agro-processed products, we also implement Jain Good Agricultural Practices and Sustainable Agricultural Codes to promote traceability, food safety, worker welfare, hygiene, sanitation as well as environmental and biodiversity protection, conservation and enhancement.

In addition, we have obtained certain quality certifications for our manufacturing facilities in India, including the following:

Certification	Plant Location	Products Covered
ISO 9001:2015 for quality management system	Jalgaon	MIS products, piping systems, PVC sheets, precision farming products, renewable energy systems and cultivated tissue culture plants
	Alwar	MIS products, piping systems, precision farming products and renewable energy systems
	Bhavnagar	MIS products and piping systems
	Hyderabad	MIS products and piping systems
	Udumalpeth	MIS products and piping systems
ISO 14001:2015 for environmental management systems	Jalgaon	MIS products, piping systems, PVC sheets, dehydrated onion and vegetable products and processed fruit products

Certification	Plant Location	Products Covered
	Alwar	MIS products, piping systems, precision farming products and renewable energy systems
	Bhavnagar	MIS products and piping systems
	Hyderabad	MIS products and piping systems
	Udumalpeth	MIS products and piping systems
	Vadodara	Dehydrated onion and vegetable products
ISO 22000: 205 for food safety management	Jalgaon	Dehydrated onion and vegetable products and processed fruit products
	Chittoor I	Processed fruit products
	Chittoor II	Processed fruit products
BS OHSAS 18001:2007 for occupational health and safety management system	Jalgaon	MIS products, piping systems, PVC sheets, dehydrated onion products and processed fruit products
	Alwar	MIS products, piping systems, precision farming products and renewable energy systems
	Bhavnagar	MIS products and piping systems
	Hyderabad	MIS products and piping systems
	Udumalpeth	MIS products and piping systems
	Vadodara	Dehydrated onion and vegetable products
	Chittoor I	Processed fruit products
	Chittoor II	Processed fruit products
ISO 50001:2011 for energy management system	Jalgaon	MIS products, piping systems, PVC sheets, precision farming products, renewable energy systems, dehydrated onion products and processed fruit products
	Vadodara	Dehydrated onion and vegetable products
ISO 14064:2006 for quantification and reporting of greenhouse gas emissions and removals.	All manufacturing facilities	All products
BRC Issue 7: January 2015 for food safety management system	Jalgaon	Dehydrated onion products and processed fruit products

Certification	Plant Location	Products Covered
	Vadodara	Dehydrated onion and vegetable products
	Chittoor I	Processed fruit products
	Chittoor II	Processed fruit products
SURE - GLOBAL - FAIR for exports to Europe	Jalgaon	Processed fruit products
	Chittoor II	Processed fruit products
Kosher	Jalgaon	Dehydrated onion products and processed fruit products
	Vadodara	Dehydrated onion products
	Chittoor I	Processed fruit products
	Chittoor II	Processed fruit products
Halal	Jalgaon	Dehydrated onion and vegetable products and process fruit products
	Vadodara	Dehydrated onion and vegetable products
	Chittoor I	Processed fruit products
	Chittoor II	Processed fruit products
GMA — SAFE for food safety management system for customers in the United States	Jalgaon	Dehydrated onion and vegetable products
National Certification System for Tissue Culture Raised Plants Management Cell	Jalgaon	Cultivated tissue culture plants

Our R&D facilities at Agri Park in Jalgaon, Maharashtra is certified with ISO/IEC 17025:2005 certifications by the National Accreditation Board for Testing and Calibration Laboratories and the ISO 9001 certification. We have also obtained Global GAP certification for our Agri Park in Jalgaon, which covers our R&D operations.

We have obtained certain quality certifications for our manufacturing facilities outside of India, including the following:

Certification	Plant Location	Products Covered
ISO 9001:2008 for quality management system	Israel (NaandanJain)	MIS products
	Turkey (NaandanJain)	MIS products
	Spain (NaandanJain)	MIS products
ISO 14001:2004 for environmental management systems.	Israel (NaandanJain)	MIS products
Halal	Oregon (Cascade)	Dehydrated onion powder, granules, flake
	California (Cascade)	Reduced moisture frozen products
Kosher.	Oregon (Cascade)	Dehydrated onion powder, granules, flake
	California (Cascade)	Reduced moisture frozen products
Organic certification	Oregon (Cascade)	Dehydrated onion powder, granules, flake
SQF Level 3 Comprehensive Food Safety and Quality Management System	Oregon (Cascade)	Dehydrated onion powder, granules, flake
BRC Global Standard For Food Safety (including voluntary module 8 for traded goods). . . .	United Kingdom (Sleaford)	Dried food ingredients and dried food mixes

Seasonality

The demand for our products and supply of raw materials are subject to seasonal factors. For more information, see "Risk Factors — Risks Relating to Our Business — The success of our business is highly dependent on the performance of and factors affecting the Indian and global agricultural sector, including unfavorable climate and weather conditions" and "Risk Factors — Risks Relating to Our Business — Our sales and operations, particularly our agro-processed products, are affected by seasonal and other factors".

Competition

We operate in a competitive environment and face competition from several players across our business segments. We face growing competition from small-scale unincorporated businesses in India which offer lower cost and lower quality products. We also face growing competition from China. In the Indian market, we face competition from local and regional players in our MIS products and piping systems segments. We compete in the Indian market by seeking to provide a wider product range and customized products suitable for local conditions, as well as by seeking to build a strong rural and urban distribution reach and providing strong after sales support and consistently high quality products.

Our principal domestic and international competitors in the MIS products segment include Netafim Ltd, Eurodrip S.A., The Toro Company, Rivulis Irrigation Ltd, Parixit Plastics Ltd, Nagarjuna Palma India Ltd, Premier Irrigation Equipments Ltd and EPC Industries Ltd.

Our principal competitors in the PVC pipes and fittings segment are Finolex Industries Limited, Supreme Industries Limited, and Prince Pipes & Fittings Pvt Ltd. Our principal competitors in the PE pipes and fittings segment are Duraline India and Pennwalt Agro Plastics Limited.

We sell a large portion of our PVC sheets and agro-processed products internationally. In this market, we face competition from various global manufacturers. Our principal international competitors in the PVC sheets segment include Alcan Composites Sintra USA Inc, Vycom Corporation, Profine GmbH (Kommerling), Inteplast Group Ltd, Brett Martin Ltd and Palram Industries Ltd.

Our principal competitors in the dehydrated onion and vegetable products segment are Con Agra Foods Inc, Sensient Dehydrated Flavors Co, Sodeleg Ltd, Oceanic Foods Pvt Ltd and Saraf Foods Limited. Our principal competitors in the processed fruit products segment are Foods & Inns Ltd, National Dairy Development Board, Godrej Industries Ltd (Food Division), Clean Foods Ltd, Capricorn Food Products India Ltd and Freshtrop Fruits Limited.

Insurance

We maintain insurance policies covering all of our Indian offices, depots, warehouses and manufacturing facilities, including buildings, plants, machinery and inventories. We have taken insurance policies covering fire, theft, machinery breakdown, vehicles, fidelity coverage, product liability, directors' and officers' liability, public liability, business interruption due to fire and marine and other transit insurance. We have also taken industrial all risk policy coverage covering fixed assets, including buildings, plants and machinery, electrical installation and green/shade. We generally maintain all risk policy for constructions for on-going integrated irrigation projects and turnkey services. We also maintain group health and personnel accident policies for our employees. We believe that our insurance coverage is customary for Indian companies in our industry. Our insurance is subject to customary deductibles and exclusions applicable to similar businesses operating in India.

Our subsidiaries have taken separate insurance policies in their respective countries, including commercial excess liability, professional liability, fire and consequential loss, product liability, asset liability, product recall, stock insurance, automobile liability, equipment breakdown, workers' compensation, employment practices liability, fiduciary liability, commercial inland marine coverage, crime and fidelity coverage, directors' and officers' liability, loss of income and commercial legal protection. We believe that our insurance coverage is reasonably sufficient to cover all the normal risks associated with our operations and is in accordance with industry standards in India and abroad.

Intellectual Property

We primarily protect our intellectual property through trade secrets and non-competition agreements with our employees and trade partners. We also license some technology from third parties in order to develop new products. We have a portfolio of approximately 610 trademarks in India, out of which 421 trademarks are registered for our various products and service lines, including MIS products and services, piping systems, agro-processed products, PVC sheets, renewable energy systems and other products. We have registered 13 trademarks in the United States and two in each of Canada and Mexico. We have also applied for 54 trademarks for our MIS products in Turkey, out of which we have received registration for 10 trademarks. We also own several patents worldwide including in the United States, Europe, Israel and India, and have applied for one in Australia. We have built our patent portfolio by placing a continuous focus on R&D and by acquiring R&D-driven companies outside of India to expand our intellectual asset base. We are also the owners of numerous copyrights in India and are awaiting registration of several more.

Safety, Health and Environmental Regulation and Initiatives

We consider the protection of the environment to be important to the conduct of our manufacturing activities. The principal environmental regulations applicable to industries in India include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Water Cess Act, 1977, the Forest Conservation Act, 1980, the Noise Pollution (Regulation and Control) Rules, 2000, the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016 under the Environment (Protection) Act, 1986, the Bio-Medical Waste Management Rules, 2016, the Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989, the Batteries (Management and Handling) Rules, 2001, the E-Waste (Management and Handling) Rules, 2011, the Factories Act, 1948 read with Maharashtra Factories Rules, 1963, the Gas Cylinders Rules 2004, the Central Motor Vehicle Act, 1988, the Boiler Act, 1923, the Petroleum Act, 1934, the Static and Mobile Pressure Vessels (Unfired) Rules, 1981 and the Electricity Act, 2003. We believe that we have obtained the requisite approvals under each of the foregoing laws and regulations. It is our policy to comply with all environmental, health and safety requirements and to provide safe and environmentally sound workplaces for our employees, and we believe we are in material compliance with all such applicable requirements.

Employees

As of September 30, 2016, we employed approximately 9,449 employees in India and approximately 1,246 employees in other countries. In addition, we generally employ between 2,000 and 2,500 contract employees in our agro-processed products and other divisions during peak agricultural seasons.

The following table sets forth a breakdown of our employees in India by function as of September 30, 2016:

Function	Employees	Percentage of Total
Corporate administration	1,475	15.6%
Marketing	2,225	23.5%
Materials management (procurement, inventory and logistics)	271	2.9%
Production	5,336	56.5%
R&D	142	1.5%
Total	**9,449**	**100.0%**

The following table sets forth a breakdown of our employees outside India by country as of September 30, 2016:

Country	Employees	Percentage of Total
Brazil	81	6.5%
Israel	286	23.0%
Mexico	57	4.6%
Switzerland	55	4.4%
Turkey	48	3.9%
United Kingdom	149	12.0%
United States	404	32.4%
Others	166	13.3%
Total	**1,246**	**100.0%**

Since our inception, we have not faced any strikes, lock-outs or similar events due to labor unrest and there have been no significant employee disturbances. We periodically review our terms and conditions of employment and typically provide compensation increases to our Indian employees bi-annually. Except for approximately 70 of our employees at our manufacturing facilities in Chittoor and approximately 90 of our employees at our manufacturing facilities in Israel, none of our employees are unionized. We believe that the compensation of our employees is competitive with other comparable employers in India and the other jurisdictions where we operate.

Legal Proceedings

As of September 30, 2016, there are certain ongoing legal proceedings by and against us pending at different levels of adjudication before various courts and tribunals. The majority of these claims arise in the normal course of business and the potential liability under these claims in the aggregate could be significant if some of these cases are decided against us. See the section entitled "Risk Factors — Risks Relating to Our Business — We are involved in legal proceedings from time to time that, if determined against us, could adversely impact our business and financial condition". Except as provided below, there are no legal or arbitration proceedings against or affecting the Issuer, the Parent Guarantor, any of their respective subsidiaries or any of their respective assets, nor are they aware of any pending or threatened proceedings, which may have or have had a significant impact on the Parent Guarantor's financial position or profitability or which are or might be material in the context of this issue of the Notes or the Note Guarantee.

A show cause notice dated February 26, 1999 was issued to the Parent Guarantor as well as certain of its directors and employees, by the Office of the Directorate General Anti-Evasion (Central Excise), Mumbai, in relation to alleged deliberate evasion of central excise duty under the Central Excise Tariff Act, 1985, on polytubes, microtubes and HDPE pipes manufactured by the Parent Guarantor during the period from November 1995 to November 1997. The total estimated liability in this matter including the duty alleged to be evaded along with possible interest and penalties payable is approximately Rs.188,317,686. The matter is currently pending before the High Court of Bombay.

A show cause notice dated August 19, 1999 was issued to the Parent Guarantor as well as certain of its directors and employees, by the Office of the Directorate General Anti-Evasion (Central Excise), Mumbai, in relation to alleged deliberate evasion of central excise duty under the Central Excise Act, 1944, on plain and socketed PVC pipes and under valuation, in respect of certain products manufactured by the Parent Guarantor during the period from October 1994 to November 1997 and September 1996 to November 1997, respectively. The total estimated liability in this matter including the alleged duty evaded along with possible interest and penalties payable is approximately Rs.177,002,586. The matter is currently pending before the Commissioner, Central Excise, Customs and Service Tax, Nasik.

Set forth below is a brief overview of the principal laws and regulations currently governing the business of the Parent Guarantor. The laws and regulations set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Regulation of the Parent Guarantor in India

The following description is a brief summary of certain laws, regulations and policies in India which are applicable to the Parent Guarantor. The information provided below has been obtained from sources available in the public domain. The summary of the regulations set out below is not exhaustive, and is only intended to provide general information to potential investors. This is neither designed nor intended to be a substitute for professional legal advice.

The key regulations governing the Parent Guarantor's business areas, including regulations applicable to manufacturing and producing MIS products, agro-processed products and renewable energy systems, are detailed below:

The Food Safety and Standards Act, 2006 (the "FSSA")

The FSSA was enacted on August 23, 2006 repealing and replacing the Prevention of Food Adulteration Act, 1954. The FSSA seeks to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India (the "FSSAI") for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure the availability of safe and wholesome food for human consumption.

The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. Under Section 31 of the FSSA, no person may carry on any food business except under a license granted by the FSSAI. The FSSA sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of food business operators.

The enforcement of the FSSA is generally facilitated by 'state commissioners of food safety' and other officials at a local level. Under Section 51 of the FSSA, any person who manufactures sub-standard food for human consumption is liable to pay a penalty which may extend up to Rs.500,000. FSSA has defined sub-standard as an article of food which does not meet the specified standards but not so as to render the article of food unsafe. The provisions of the FSSA require every distributor to be able to identify any food article by its manufacturer, and every seller by its distributor that should be registered under the FSSA and every entity in the sector is bound to initiate recall procedures if it finds that the food marketed has violated specified standards. Food business operators are required to ensure that persons in their employment do not suffer from infectious or contagious diseases. The FSSA also imposes liabilities upon manufacturers, packers, wholesalers, distributors and sellers requiring them to ensure that, *inter alia*, unsafe and misbranded products are not sold or supplied in the market.

Furthermore, in order to address certain specific aspects of the FSSA, the FSSAI has framed several regulations including the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011.

The FSSAI has also framed the Food Safety and Standards Rules, 2011 (the "FSSR") which have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of 'commissioner of food safety', 'the food safety officer' and 'the food analyst' and procedures of taking extracts, seizure, sampling and analysis.

The Agricultural and Processed Food Products Export Development Authority Act, 1985 (the "APEDA Act")

The APEDA Act, which came into effect on February 13, 1986, was enacted to undertake measures for the development and promotion of export of specified products. The APEDA was established by the Government of India under the APEDA Act passed by Parliament in December 1985. The APEDA is authorized to undertake prescribed measures for the registration and protection of intellectual property rights of "special products" within and outside India, which include fruits and vegetables and their associated products.

The Energy Conservation Act, 2001 (the "Energy Conservation Act")

The Energy Conservation Act, which came into effect on October 1, 2001, empowers the government to specify the norms and standards of energy efficiency to be followed by different industries (as specified in a schedule to the Energy Conservation Act) in their use of power. Norms and standards of energy efficiency and conservation are also to be set for appliances and equipment, as well as the construction of buildings. The Energy Conservation Act empowers state governments to enforce its various provisions.

The Energy Conservation Act also establishes the Bureau of Energy Efficiency under the central government to specify qualifications and certification procedures for energy auditors and managers who shall audit the use of energy by industries. Under the Energy Conservation Act, the government may specify energy conservation building codes for commercial buildings with a connected load of more than 500 kW or contract demand of 600 kVA.

The Energy Conservation Act empowers the government to specify energy consumption norms for equipment or appliances. The government can also prohibit the manufacture, sale, purchase or import of notified equipment unless they conform to such norms. However, this prohibition can only be issued two years after the norms have been specified.

The Ministry of New and Renewable Energy (the "MNRE")

The MNRE is the nodal ministry of the Government of India at the national level for all matters relating to new and renewable energy. The broad aim of the MNRE is to develop and deploy new and renewable energy for supplementing energy requirements in India.

Indian Renewable Energy Development Agency Limited

In 1987, the MNRE established the Indian Renewable Energy Development Agency Limited (the "IREDA"), a financial institution intended to complement the role of the MNRE and provide financing to renewable energy projects. The IREDA, which functions under the administrative control of MNRE, is involved in extending financial assistance and related services to promote the development of renewable energy systems in India.

Maharashtra Renewable Energy Policy

Under this policy, solar power projects of 7500 MW capacity will be developed, 2500 MW of which will be developed by Maharashtra State Power Generation Company Ltd under public private partnerships, in order to fulfill its renewable energy obligation. The remaining capacity will be developed by other developers (5000 MW). The solar power projects under this policy are exempted from obtaining no objection certificate or consent from the Pollution Control Board. Government land will be granted, without auction and as per availability, for the manufacture of solar modules, equipment and allied machinery at a 50% concessional rate. The Government will facilitate solar power project developers in the sale of electricity outside the state.

The Petroleum Act, 1934 (the "Petroleum Act") and the Petroleum Rules, 2002 (the "Petroleum Rules")

The Petroleum Act and the Petroleum Rules regulate the import, transport, storage, production, refining and blending of petroleum.

The Petroleum Act and the Petroleum Rules define the various classes of petroleum, prescribe the conditions to be followed in blending, refining, storing and transporting petroleum and specify the permissions to be taken for the import and export of petroleum.

The Electricity Act, 2003

The Electricity Act, 2003 (the "Electricity Act") is a central unified legislation relating to the generation, transmission, distribution, trading and use of electricity. The Electricity Act governs the establishment, operation and maintenance of any generating company and prescribes technical standards in relation to its connectivity with the grid. Further, in accordance with Section 7 of the Electricity Act, a generating company may establish, operate and maintain a generating station without obtaining a license under the Electricity Act in the event it complies with the technical standards relating to connectivity with the grid prescribed under clause (b) of Section 73 of the Electricity Act. Further, in terms of the Electricity Act, generating companies are permitted to sell electricity to any licensee and, where permitted by the respective state regulatory commissions, to consumers.

Laws Relating to Employment

Shops and Establishments Legislations in Various States

The provisions of various shops and establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labor Laws

The Parent Guarantor is required to comply with various labor laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Laws Relating to Intellectual Property

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 *inter alia* govern the law in relation to intellectual property, including brand names, trade names and service marks and research works.

In addition to the above, the Parent Guarantor is required to comply with the provisions of the Companies Act, the Foreign Exchange Management Act, 1999, various tax related legislations and other applicable statutes.

Environmental Laws

The Company is subject to a range of environmental legislation and regulations, including those particular to its lines of business. The Government has formulated legislation for the protection and improvement of the environment and the prevention of hazards to human beings, other living creatures, plants and property. The three major statutes which seek to regulate and protect the environment against pollution and related activities in India are the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment (Protection) Act, 1986. The basic purpose of these statutes is to control, abate and prevent pollution.

The business of the Parent Guarantor is regulated by a wide variety of environmental laws such as: The Manufacture, Storage and Import of Hazardous Chemicals Rules, 2008, The Noise Pollution (Regulation and Control) Rules, 2000, The Ozone Depleting Substances (Regulation and Control) Rules, 2000, The Batteries (Management and Handling) Rules, 2001, and The E-Waste (Management and Handling) Rules, 2001.

THE ISSUER

The Issuer was incorporated as a private company with limited liability under the laws of the Netherlands on March 24, 2010. The Issuer has its corporate seat in Amsterdam, the Netherlands. The registered address of the Issuer is Haaksbergweg 71, 1101 BR Amsterdam, the Netherlands, and its telephone number at that address is +31-20-670-2005. The Issuer has been registered with the Trade Register of the Chamber of Commerce in the Netherlands under registration number 34386980.

The Issuer is wholly-owned by the Parent Guarantor.

The principal objects of the Issuer are set out in Clause 3 of its Articles of Association. Under Clause 3 of its Articles of Association, the objects for which the Issuer was established are:

(a) to incorporate, hold and dispose of participations or other interests in corporate bodies, companies and enterprises and to manage and supervise such corporate bodies, companies or enterprises;

(b) to enter into agreements whereby the Issuer commits itself as guarantor or severally liable co-debtor, or grants security or declares itself jointly or severally liable with or for others, particularly to the benefit of corporate bodies and companies which are subsidiaries and/or affiliates of the Issuer;

(c) to provide services to companies and enterprises;

(d) to finance companies and enterprises;

(e) to borrow and grant (money) loans;

(f) to acquire, to transfer, to manage and to operate property, including registered property, and assets in general;

(g) to exploit and dispose of intellectual and/or industrial property rights, permits, patents, trademarks and knowhow;

(h) to enter into industrial, financial and commercial activities; and

(i) to do all such things as are incidental or conducive to the above objects or any of them.

As such, the Issuer is, *inter alia*, authorized to issue the Notes and to finance the business of the Parent Guarantor, including entering into the Indenture and the other transaction documents to which it is or will be a party.

The issue of the Notes by the Issuer was authorized by a written resolution of the board of directors of the Issuer dated January 16, 2017.

The directors of the Issuer are: Mr. Anil B. Jain, Ms. Frederique Amy van Gelderen, the Parent Guarantor and Athos Business Services (Asia) BV, whose business address for the purpose of their directorships of the Issuer is at Haaksbergweg 71, 1101 BR Amsterdam, the Netherlands.

The Issuer has an authorized share capital of EUR646,500. At the date of this Offering Memorandum, a total of 1,293 ordinary shares, with a nominal value of EUR100, have been issued and paid up. All issued ordinary shares are and will be in registered form, and no share certificates are or will be issued.

At the date of this Offering Memorandum, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued, or created but unused), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, except as otherwise described in this Offering Memorandum and borrowings from related parties.

MANAGEMENT AND CORPORATE GOVERNANCE

Management of the Parent Guarantor

Board of Directors

The Board of Directors of the Parent Guarantor is responsible for the management and administration of the Parent Guarantor's affairs, and the Board of Directors (and any committee which it appoints) is vested with all of the powers of the Parent Guarantor.

Under its Constitution, the Parent Guarantor cannot have less than three directors or more than 14 directors. The Parent Guarantor currently has ten directors.

The following table sets forth certain details of the Directors of the Parent Guarantor as of the date of this Offering Memorandum:

Name	Age	Current position	Date appointed
Ashok B. Jain	54 years	Chairman	September 30, 2005
Anil B. Jain	51 years	Vice Chairman and Managing Director	December 30, 1986
Ajit B. Jain	50 years	Joint Managing Director	May 13, 2004
Atul B. Jain	48 years	Joint Managing Director	September 1, 2009
R. Swaminathan	65 years	Executive Director	September 30, 2005
Devendra Raj Mehta	79 years	Independent Director	December 26, 2007
Ghanshyam Dass	64 years	Independent Director	August 25, 2009
Vasant V. Warty	74 years	Independent Director	May 13, 2004
Radhika C. Pereira	46 years	Independent Director	December 29, 2005
Harishchandra Prasad Singh	66 years	Independent Director	August 11, 2014

All the Directors are Indian nationals.

Except for Mr. Ashok B. Jain, Mr. Anil B. Jain, Mr. Ajit B. Jain and Mr. Atul B. Jain, none of the Directors are related to each other.

Brief Profile of the Directors

A brief profile of each member of the Board of Directors is given below:

Mr. Ashok B. Jain currently serves as the Chairman of our Company. He has served as a Director of our Company from September 30, 2005 and was initially appointed as a Director of our Company in June 1992 and held that position until August 2002. He joined the management team of our Company in 1982 and was in charge of marketing and extension services in India. Currently, he is responsible for managing our agro-processed products business and public relations function. He holds a degree in commerce from Pune University.

Mr. Anil B. Jain currently serves as Vice Chairman and Managing Director of our Company. He has served as a Director of our Company since December 30, 1986. He joined our Company in 1984 and was in charge of our marketing operations in the United States. Mr. Anil B. Jain has an extensive background and experience in finance, banking, strategic planning, export marketing and joint ventures. Currently, he is responsible for managing our overseas business and corporate finance, mergers and acquisitions and strategy functions. He holds a degree in commerce from Pune University and a degree in law from Mumbai University.

Mr. Ajit B. Jain currently serves as a Joint Managing Director of our Company. He has served as a Director of our Company since May 13, 2004 and was initially appointed as a Director of our Company in March 1998 and held that position until August 2002. Currently, he is responsible for managing our MIS business and manufacturing operations. He joined our Company in 1984 and was in charge of establishing our piping systems manufacturing facilities in Madhya Pradesh. He holds an engineering degree from Dnyaneshwar University.

Mr. Atul B. Jain currently serves as a Joint Managing Director of our Company. He has served as a Director of our Company since September 1, 2009 and was initially appointed as a Director of our Company in September 2005 and held that position until July 2008. He joined the Company in 1992. He was in charge of our Europe-based marketing operations and was responsible for developing and maintaining the European market for the food processing and plastic exports business and marketing of drip irrigation systems in India. Currently, he is responsible for managing our piping systems business and our marketing operations. He holds a graduate degree in commerce from Pune University.

Mr. R. Swaminathan currently serves as an Executive Director of our Company. He has served as a Director of our Company since September 30, 2005 and was initially appointed as a Director of our Company in May 1996 and held that position until August 2002. Mr. Swaminathan has more than 43 years of experience in operation and maintenance activities of manufacturing plants relating to solvent extraction, plastics extrusion and injection molding. As Technical Director, he is responsible for technical matters relating to the manufacturing of our products and the operations of our manufacturing facilities. Mr. Swaminathan holds a bachelor's degree in technology in chemical engineering from Coimbatore Institute of Technology.

Mr. Devendra Raj Mehta has been an Independent Director of our Company since December 26, 2007. He currently serves as chairman of Poly Medicure and JMC Projects (India) Ltd, director of Atul Rajasthan Date Palms Ltd and Glenmark Generics Ltd and non-executive director of Glenmark Pharmaceuticals. Mr. Mehta was a civil servant for almost 42 years and was previously the Secretary of the Committee on Financial Policy and the Director General of Foreign Trade, Ministry of Commerce. He was also the Deputy Governor of the Reserve Bank of India and the Chairman of SEBI. He holds a bachelor's degree in arts and law from Rajasthan University, in addition to management degrees from the Royal Institute of Public Administration, United Kingdom and from the Alfred Sloan School of Management, Massachusetts Institute of Technology, United States.

Mr. Ghanshyam Dass has been an Independent Director of our Company since August 25, 2009. He currently serves as a senior advisor to KPMG since 2009 and a director of Mayar Infrastructure since 2010, Jubilant Agri and Customer Products Ltd since 2013, Jubilant Industries since 2010, Powerica Ltd since 2011, Avigha India since 2013, Estel Technologies Pvt Ltd since 2011, Online Recharge Services Pvt Ltd since 2011, Mayar Health Resorts Ltd since 2015 and BQ Padmavathy Finance Academy Pvt Ltd since 2015. Previously, he served in various senior roles at NASDAQ OMX group, HSBC and Wells Fargo and held advisory roles at Intel Capital and Dhanalakshmi Bank. Mr. Dass holds a degree in economics (with honors) from Delhi University and a degree in linguistics from Jawaharlal Nehru University.

Mr. Vasant V. Warty was appointed as an Independent Director of our Company on May 13, 2004 as a nominee Director of the State Bank of India, the lead bank for consortium of working capital bankers. Mr. Warty joined the State Bank of India as a Probationary Officer in October 1966 and has held various positions such as general manager of commercial banking in Orissa. He retired from the State Bank of India in 2002. He previously served as director of Ratnagiri Gas and Power and an international banking faculty member of the State Bank staff college in Mumbai. He holds a degree in arts from the University of Mumbai, a degree in law from the Institute of Bankers and a diploma in managerial accounting from Jamnalal Bajaj Institute.

Ms. Radhika C. Pereira has been an Independent Director of our Company since December 29, 2005. Ms. Pereira currently serves as partner at Shardul Amarchand Mangaldas & Co. (Advocates & Solicitors) since May 2015. Previously, she was founder and managing partner at Dudhat, Pereira and Associates (Advocates & Solicitors) which was established in 1996. She has also worked with leading law offices such as Mulla & Mulla, Craige, Blunt & Caroe (Advocates and Solicitors) and Arthur Anderson & Co (Advocates and Solicitors) in Mumbai. She has also served as partner at M/s Udwadia & Udeshi (Advocates & Solicitors). Ms. Pereira has a graduate degree in science and law from the Mumbai University and holds master of laws degrees from Cambridge University, England, and Harvard University, United States.

Mr. Harishchandra Prasad Singh has been an Independent Director of our Company since August 11, 2014. He is the founder and chairman of the Confederation of Horticulture Associations of India. Mr. Singh holds a master of science degree in horticulture (with gold medal) from Rajendra Agricultural University and an honorary doctorate from the Orissa University of Agriculture and Technology.

The Board of Directors' role, functions, responsibility and accountability are defined under the Companies Act and in the Company's Articles of Association and resolutions passed in shareholders meetings from time to time. In addition to its primary role of monitoring corporate performance, the functions of the Board of Directors include:

- approving the Company's corporate philosophy and mission;
- formulation of strategic and business plans;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance in light of strategic and business plans, including reviewing operating results on a regular basis;
- ensuring ethical behavior and compliance with laws and regulations;
- reviewing and approving borrowing within the limits approved by shareholders;
- reviewing and approving capital raising exercises;
- dividend declaration, subject to approval by shareholders; and
- approving the making of loans and investments, mergers and acquisitions, joint ventures and collaborations.

Key Management

The following table sets forth certain details of our key management as of the date of this Offering Memorandum:

Name	Age	Current position	Date appointed
Ashok B. Jain	54 years	Chairman	September 30, 2005
Anil B. Jain	51 years	Vice Chairman and Managing Director	December 30, 1986
Ajit B. Jain	50 years	Joint Managing Director	May 13, 2004
Atul B. Jain	48 years	Joint Managing Director	September 1, 2009
R. Swaminathan	65 years	Executive Director	September 30, 2005
A. V. Ghodgaonkar	55 years	Company Secretary and Chief Compliance Officer	March 30, 1993
Manoj Lodha	48 years	Chief Financial Officer	August 11, 2014

Brief Profile of our Key Management

Other than members of the Board of Directors whose profiles have been provided previously in this Offering Memorandum, a brief profile of each of our key management is given below:

Mr. Avdhut Ghodgaonkar has been our Company Secretary and Chief Compliance Officer since March 30, 1993. As Company Secretary and Chief Compliance Officer, Mr. Ghodgaonkar is responsible for monitoring our compliance with applicable listing agreements, the Companies Act, SEBI regulations and guidelines and other corporate laws, as well as RBI and FEMA regulations and the handling of shareholders grievances. He is also responsible for our due diligence functions and the registration of trademarks, designs and copyrights, the preparation of loan documentation and loan security matters. Mr. Ghodgaonkar actively participates in our corporate actions, including in mergers and acquisitions, preferential allotments and corporate structuring. He is a qualified Company Secretary and is a member of the Institute of Company Secretaries of India.

Mr. Manoj Lodha has been our Chief Financial Officer since August 11, 2014. As Chief Financial Officer, Mr. Lodha is responsible for finance, banking operations, investor relations, accounting and taxation matters. Mr. Lodha works closely with our Managing Director and Board of Directors with respect to all strategic and decision-making functions. He also oversees a team of more than 100 finance professionals across our extensive geographies and businesses. As a seasoned professional, Mr. Lodha has 20 years of experience with our Company, during which time he has led various corporate finance assignments such as equity raising, debt syndication, corporate restructuring and mergers and acquisitions. He contributed in our financial restructuring which took place from 1999 to 2001. This restructuring involved various lenders and our sale and lease back of our discontinued polycarbonate sheet division. From 2001 until 2002, Mr. Lodha played a key role in arranging equity funding from a large equity fund in the United States. Mr. Lodha holds a degree in cost accounting from the Institute of Cost and Works Accountants of India and a law degree from the University of Mumbai and is also a chartered accountant.

Committees

The Company has constituted the following committees:

Audit Committee

The Audit Committee consists of Mr. Ghanshyam Dass (Chairman), Mr. Vasant V. Warty and Mrs. Radhika C. Pereira.

The role of the Audit Committee includes:

- overseeing our Company's financial reporting process and the disclosure of our financial information to ensure that the financial statements are correct and credible;

- making a recommendation to the Board of Directors regarding the appointment, reappointment and, if required, the replacement or removal of the statutory auditor, internal auditor or cost auditors and the fixation of audit fees;

- reviewing internal audit reports and taking part in discussions with internal auditors regarding any significant findings and conducting follow-ups thereon;

- reviewing the annual financial statements with management before submission to the Board of Directors for approval, with particular reference to:

    - changes, if any, in accounting policies and practices and reasons thereof;

    - compliance with listing and other legal requirement relating to financial statements;

    - disclosure of any related party transactions;

    - statutory liabilities with respect to direct and indirect taxes of our Company; and

    - qualifications in the draft audit report;

- overseeing financial reporting for all stakeholders. The Audit Committee is responsible for supervising the financial reports, statutory audit and internal audit processes to ensure accurate, timely and appropriate disclosures that maintain and enhance the quality of financial reporting;

- attending to matters required to be included in the Directors' Responsibility Statement to be included in the Board of Directors' Report as required under the Companies Act;

- ensuring compliance with listing and other legal requirements relating to financial statements;

- reviewing and monitoring the independence of our auditors, the performance and effectiveness of our audit process approval and transactions with related parties;

- scrutinizing intercompany loans and investments, valuations of undertakings or assets of our Company, whenever necessary;

- evaluating internal financial controls and risk management systems;

- preparing and reviewing management's discussion and analysis of financial condition and results of operations;

- formulating the scope, functioning, time limit and methodology for conducting the internal audit, reviewing the adequacy of the internal audit function, if any, reporting structure coverage and frequency of internal audit, discussion with internal auditors of any significant findings and follow-ups thereon;

- conducting discussions with statutory auditors before the audit commences about the nature and scope of the audit process and after the audit process completes to ascertain any area of concerns;

- reviewing the function of our Company's vigil mechanism and whistleblower mechanism;

- preparing reconciliation of the share capital audit report under SEBI (Depositories and Participants) Regulations, 1996;

- carrying out any other function as mentioned in the terms of reference of the Audit Committee; and

- preparing compliance certificates and certifying compliance with all applicable laws.

The Audit Committee is required to meet at least four times per year, including once before the finalization of the annual accounts and not more than 120 days shall elapse between two meetings.

Risk Management Committee

The Risk Management Committee consists of Mr. Ghanshyam Dass (Chairman), Mr. Atul B. Jain and Mrs. Radhika C. Pereira. The Risk Management Committee, *inter alia*, provides for periodical review of risk management procedures to ensure that management controls the risks that our Company faces through a properly defined framework.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of Mr. Vasant V. Warty (Chairman), Mr. Ashok B. Jain, Mrs. Radhika C. Pereira and Mr. Harishchandra Prasad Singh. The Nomination and Remuneration Committee determines the qualification, positive attributes and independence of a Director, and recommends to the Board of Directors a policy relating to the remuneration of the Directors, key management personnel and other employees. In addition, the Nomination and Remuneration Committee considers and recommends the remuneration of Executive Directors, Non-Executive Directors and key management personnel in our Company and the allotment and devolution of employee stock option plans under our approved employee stock option plans of 2005 and 2011. In addition, the Nomination and Remuneration Committee also performs the following functions:

- setting up the remuneration policy for the Company's executive directors and chairman, including pension rights and any compensation payments;

- recommending the level and structure of remuneration for senior management;

- recommending appointments to the board of directors of the Company's subsidiaries;

- within the terms of the remuneration policy and in consultation with the directors, determining the total individual remuneration package of each designated senior executive including bonuses, incentive payments and share options or other awards;

- reviewing and designing incentive plans for approval by the Board of Directors and shareholders;

- assessing and approving the performance or non-performance of targets set for awarding incentives exercises;

- determining the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;

- overseeing the hiring of key executives and members of the Board of Directors;

- ensuring that contractual terms of termination, and any payments made, are fair to the individual and the Company;

- planning and preparing for succession and development of the Board of Directors; and

- considering any other matters relating to employment and remuneration as referred by the Board of Directors from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of Mrs. Radhika C. Pereira (Chairwoman), Mr. Vasant V. Warty and Mr. Ajit B. Jain. The Stakeholders' Relationship Committee is primarily responsible for the review of all matters connected with our Company's transfer of securities and redressal of complaints of shareholders, investors and security holders. The Stakeholders' Relationship Committee also monitors our implementation of and compliance with our Company's Code of Conduct for Prohibition of Insider Trading.

The terms of reference of the Stakeholders' Relationship Committee is as follows:

- overseeing and reviewing all matters connected with the transfer of our Company's ordinary equity and DVR equity shares;

- approving the issue of our Company's duplicate share certificates;

- considering, resolving and monitoring redressal of grievances of investors and shareholders related to, among others, the transfer of shares, non-receipt of annual reports and non-receipt of declared dividends;

- overseeing the performance of our Company's registrars and transfer agents;

- recommending methods to upgrade the standard of services to investors;

- monitoring our implementation of and compliance with our Company's Code of Conduct for Prohibition of Insider Trading;

- carrying out any other function as is referred by the Board of Directors from time to time and/or required by any statutory notification, amendment or modification; and

- performing such other functions as may be necessary or appropriate for the performance of its duties.

Operations Review Committee

The Operations Review Committee consists of Mr. Anil B. Jain (Chairman), Mr. Ajit B. Jain, Mr. Ashok B. Jain, Mr. Atul B. Jain and Mr. R. Swaminathan. The Operations Review Committee is authorized to approve individual sanction letters relating to indebtedness (subject to borrowing powers as approved by the Board of Directors), delegate authority for the completion of documentation related to such indebtedness, review operational areas and delegate other forms of authority in the context of the increase of the size of our operations to ensure timely decision-making for the purposes of operational efficiency and effectiveness.

Management of the Issuer

Board of Directors

The Issuer is managed by its board of directors. The following table sets forth certain details of the Issuer's directors as of the date of this Offering Memorandum:

Name	Age	Position	Date appointed
Anil B. Jain	51 years	Director	March 24, 2010
Frederique Amy van Gelderen	37 years	Director	November 15, 2016
Jain Irrigation Systems Limited	N/A	Director	March 24, 2010
Athos Business Services (Asia) BV	N/A	Director	December 1, 2013

PRINCIPAL SHAREHOLDERS

As of the date of the Offering Memorandum, the Issuer is a direct wholly-owned subsidiary of the Parent Guarantor.

Set forth below are the principal shareholders of the Parent Guarantor as of the date of the Offering Memorandum:

Principal Shareholders	Number of shares issued	Class	% Shareholding
Aatman A. Jain	50,000	Ordinary equity shares	0.01%
	2,500	DVR equity shares	0.01%
Abhang A. Jain	50,000	Ordinary equity shares	0.01%
	2,500	DVR equity shares	0.01%
Abhedya A. Jain	89,635	Ordinary equity shares	0.02%
	4,481	DVR equity shares	0.02%
Ajit B. Jain	9,340,205	Ordinary equity shares	2.03%
	467,010	DVR equity shares	2.42%
Amoli A. Jain	315,320	Ordinary equity shares	0.07%
	15,766	DVR equity shares	0.08%
Anil B. Jain	113,690	Ordinary equity shares	0.02%
	5,684	DVR equity shares	0.03%
Arohi A. Jain	273,565	Ordinary equity shares	0.06%
	13,678	DVR equity shares	0.07%
Ashok B. Jain	1,857,485	Ordinary equity shares	0.40%
	92,873	DVR equity shares	0.48%
Ashuli A. Jain	137,950	Ordinary equity shares	0.03%
	6,897	DVR equity shares	0.04%
Athang A. Jain	132,760	Ordinary equity shares	0.03%
	6,638	DVR equity shares	0.03%
Atul B. Jain	175,980	Ordinary equity shares	0.04%
	8,798	DVR equity shares	0.05%
Bhavana A. Jain	10,000	Ordinary equity shares	0.00%
	500	DVR equity shares	0.00%
Bhavarlal H. Jain[(1)]	2,655,240	Ordinary equity shares	0.58%
	132,762	DVR equity shares	0.69%
Jain Brothers Industries Private Limited[(2)]	2,488,836	Ordinary equity shares	0.54%
Jalgaon Investments Private Limited[(3)]	104,105,000	Ordinary equity shares	22.63%
	4,830,250	DVR equity shares	25.04%
Jyoti A. Jain	3,381,500	Ordinary equity shares	0.74%
	169,075	DVR equity shares	0.88%
Nisha A. Jain	1,538,750	Ordinary equity shares	0.33%
	76,937	DVR equity shares	0.40%
Shobhana A. Jain	465,745	Ordinary equity shares	0.10%
	23,287	DVR equity shares	0.12%
JAF Products Private Limited[(4)]	14,100,000	Ordinary equity shares	3.07%
Total	**141,281,661**	**Ordinary equity shares**	**30.70%**
	58,59,636	**DVR equity shares**	**30.37%**

(1) Bhavarlal H. Jain passed away in 2016. Devolution to legal successors of shares previously held by him is currently pending.

(2) Jain Brothers Industries Private Limited is beneficially owned by Ashok B. Jain, Anil B. Jain, Ajit B. Jain, Atul B. Jain, Jyoti A. Jain, Nisha A. Jain, Shobhana A. Jain, Bhavana A. Jain, Athang A. Jain, Ainoli A. Jain, Ashuli A. Jain, Abhedya A. Jain, Abhang A. Jain, Arohi A. Jain and Athman A. Jain.

(3) Jalgaon Investments Private Limited is beneficially owned by Bhavarlal H. Jain, Ashok B. Jain, Anil B. Jain, Ajit B. Jain and Atul B. Jain.

(4) JAF Products Private Limited is beneficially owned by Ashok B. Jain, Athang A. Jain, Amoli A. Jain, Ashuli A. Jain, Abhedya A. Jain, Abhang A. Jain, Arohi A. Jain, Athman A. Jain and Anmay A. Jain.

RELATED PARTY TRANSACTIONS

We have undertaken in the past, and are likely to undertake in the future, transactions with related parties in the ordinary course of our business.

For further information regarding our related party transactions, please refer to Note 33 of the Audited Financial Statements included elsewhere in this Offering Memorandum.

The following is a summary of the material terms of our principal financing arrangements. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual underlying loan agreements and other documentation.

Indebtedness of the Parent Guarantor

Rupee Term Loan and Term Loan Facilities

The Parent Guarantor is a party to various facility agreements entered with several Indian banks between September 2011 and September 2016. The total amount outstanding under rupee term loans was Rs.3,873.5 million (US$58.1 million) as of September 30, 2016. The facilities were availed for the purpose of, among others, specific projects, general corporate purposes and financing of capital requirements.

Borrowings under these term loan agreements bear interest at a rate equal to the sum of applicable benchmark rates of the respective banks plus the applicable margin. As of September 30, 2016, the interest rates ranged between 12.0% to 14.5% per annum.

The facility agreements governing the facilities also contain customary covenants including, but not limited to, minimum asset cover, events of default, prepayment (including prepayment charges), security, security cover, end use purpose, failure to inform and cross defaults.

Each of the facility agreements contains customary negative covenants, including restrictions, subject to certain exceptions, on the Parent Guarantor's ability, without prior written consent of the bank, to sell or otherwise dispose of assets beyond a specified limit, create liens on assets, change in capital structure, change in management, effect a consolidation or merger beyond a specified limit or otherwise, undertake guarantee obligations, declaring dividends (subject to conditions and exceptions).

Such facilities are, *inter alia*, secured by a charge over the specific moveable or immovable fixed assets of the Parent Guarantor situated at several locations, personal guarantees from any or all promoters of the Parent Guarantor and if related to any project, additional charge over cash flows, book debts pertaining to the project.

In addition, the facility agreements require the Company to maintain certain financial covenants, namely a Debt to Equity Ratio, Adjusted Debt to Equity Ratio, Adjusted Debt to EBITDA, Net Fixed Assets Coverage Ratio, Debt Service Coverage Ration, Total Indebtedness Ratio and Fixed Asset Cover Ratio.

Working Capital Facilities

Under the working capital consortium agreement dated June 17, 2014, as amended from time to time and most recently amended on January 20, 2016 ("Working Capital Consortium Agreement"), the Parent Guarantor entered into a consortium with IDBI Trusteeship Services Limited, as security trustee, and the working capital lenders for availing working capital facilities aggregating to Rs.33,840.0 million. The working capital lenders consist of 15 lenders with the State Bank of India acting as the lead bank. In addition to the provisions set out in the Working Capital Consortium Agreement, the facilities are also governed by applicable sanction letters and facility agreements that were entered into between the Parent Guarantor and the respective lenders between March 2012 and October 2016. The total amount outstanding under the rupee working capital facility was Rs.15,853.6 million as of September 30, 2016.

Such working capital facilities include, *inter alia*, cash credit, export packing credit, pre/post shipment credits, letters of credit, bank guarantees, performance bank guarantee, bills discounting, buyers credit, general corporate purpose, working capital and other requirements of the Parent Guarantor.

Borrowings under the Parent Guarantor's facility agreements in respect of working capital bear interest at a rate equal to the sum of applicable benchmark rates of the respective banks plus the applicable margin (which ranged between 2.4% to 4.5% per annum) or fixed interest rate ranging from 11.7% to 12.0%. In case of drawdown in U.S. dollars, such facility bear interest at a rate equal to the sum of applicable LIBOR plus the applicable margin (which ranged between 3.0% and 4.0% per annum. Facilities for pre/post shipment credit bear interest at the rate ranging from 9.75% to 12.0% per annum. Such facilities mature up to June 2017.

The working capital facility is secured by a first charge over the entire current assets of the Parent Guarantor, namely, stocks of raw materials, stocks in process, semi-finished and finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including the proceeds thereof on realization and all other movables which are current assets of the Parent Guarantor both present and future; a second charge on the entire fixed assets (movable as well as immovable properties) of the Parent Guarantor which are located at several locations, both present and future, save and except the fixed assets exclusively charged to other lenders and personal guarantees from the promoter of the Parent Guarantor.

The sanction letters and the facility agreements contain customary negative covenants, including restrictions, subject to certain exceptions, on the Parent Guarantor's ability, without prior written consent of the bank, to sell or otherwise dispose of assets beyond a specified limit, undertake expansion or new projects or incur capital expenditure beyond the specified limit or otherwise, make investments or lend to any other concern, create liens on assets offered as security, change in capital structure, change in management, formulate or effect a scheme of amalgamation, consolidation or merger beyond a specified limit or otherwise, undertake any borrowing, beyond the prescribed limits, undertake guarantee obligations, and declaring dividends (subject to conditions and exceptions).

The sanction letters and facility agreements governing the facility also contain customary covenants including, but not limited to, events of default, security, additional interest in case of default, penal interest, failure to inform, any event which in the opinion of the lender prejudices its interest and further contain customary general covenants including, but not limited to, intimation upon occurrence of significant change in the financial position, disclosure of information and other negative covenants apart from the ones set out above including event of default in repayment to the lender or if the cross default has occurred.

The respective sanction letters and facility agreements also require the Parent Guarantor to maintain a current ratio, a total outside liabilities to tangible net worth ratio, total debt to total net worth ratio and total debt to EBITDA and amortization ratio.

Foreign Currency Convertible Bonds

Parent Guarantor issued unsecured FCCBs to foreign investors and development financial institutions for an aggregate amount of up to US$50.0 million. The FCCB agreements were entered into between September 2012 and February 2013.

The FCCBs bear interest at a rate equal to 3% per annum on the outstanding amount of the FCCBs payable on half-yearly basis. Also, there is a redemption premium rate 13.3969% on outstanding FCCBs. The FCCBs mature between September 2017 and April 2018. The Parent Guarantor is not permitted to prepay or redeem all or any part of the FCCBs prior to the expiry of the fifth anniversary of the date of subscription of the FCCBs except as agreed by the holders in writing.

Each FCCB agreement requires the Parent Guarantor to maintain, on a consolidated as well as unconsolidated basis, a current ratio, financial debt EBDITA ratio, historical debt service ratio, liabilities tangible net worth ratio and gross account receivables net sales ratio (only on unconsolidated basis).

Each FCCB agreement also contains customary covenants including, but not limited to, conversion, redemption, transferability of FCCBs, conversion price adjustment, additional interest in case of default, events of default, redemption premium, cross default beyond the prescribed limit, customary representations and warranties and disclosure of information.

Each of the agreements contains customary affirmative covenants and negative covenants, including restrictions, subject to certain exceptions, on the Parent Guarantor's ability, without prior written consent of the holders of the FCCBs, to sell or otherwise dispose of assets beyond a specified limit, create liens on assets, change in capital structure, change in management, effect a consolidation or merger beyond a specified limit or otherwise, undertake guarantee obligations, undertake financial indebtedness or capital expenditure beyond the prescribed limit and declare dividends (subject to conditions and exceptions).

External Commercial Borrowings

The Parent Guarantor is a party to various facility agreements entered with international banks for an aggregate amount up to US$134.0 million. The facility agreements were entered into between October 2008 and February 2013. The total amount outstanding under facilities was US$80.4 million as of September 30, 2016. Such facilities were availed for the purpose of specific financing of expansion and capital expenditure requirements of the Parent Guarantor. Borrowings under the facility agreements bear interest at a rate equal to the sum of applicable LIBOR plus an applicable margin (which ranged between 1.95% and 4.00% per annum)

Additionally, the Parent Guarantor has availed trade credits under the facility agreements entered with international banks for an aggregate amount of up to CHF35.7 million. The facility agreements were entered into between May 2010 and March 2011. The total amount outstanding under facilities were CHF10.7 million as of September 30, 2016. Such facilities bear floating interest at a rate equal to the sum of the cost of borrowing of the lender plus an applicable margin (which ranged between 0.8% and 0.85% per annum). The facilities mature between October 2016 and October 2018.

Each of the agreements contains customary covenants including, but not limited to, additional interest in case of default, events of default, cross default beyond the prescribed limit, minimum asset cover, prepayment charges (not in case of trade credits), customary representations and warranties and disclosure of information.

Each of the agreements contains customary affirmative covenants and negative covenants, including restrictions, subject to certain exceptions, on the Parent Guarantor's ability, without prior written consent of the bank, to sell or otherwise dispose of assets beyond a specified limit, create liens on assets, change in capital structure, change in management, effect a consolidation or merger beyond a specified limit or otherwise, undertake guarantee obligations, undertake financial indebtedness or capital expenditure beyond the prescribed limit, declaring dividends (subject to conditions and exceptions).

Some facilities are, *inter alia*, secured by a charge over the Parent Guarantor's fixed assets at its properties located at specified locations and tangible movables such as plant, machinery, spares, tools and furniture, including moveable assets located at Jalgaon. In addition, certain facilities are also secured by a second ranking charge over specific immovable and movables assets situated at several locations of the Parent Guarantor.

The agreements governing the facility require the Parent Guarantor to maintain on consolidated as well as unconsolidated basis, a current ratio, financial debt EBITDA ratio, historical debt service ratio, liabilities tangible net worth ratio and interest expense coverage ratio and net fixed assets long term secured debt ratio (only on consolidated basis) and gross account receivables net sales ratio (only on unconsolidated basis).

Dual Currency Loan

The Parent Guarantor has entered into a facility agreement in December 2016 with Export-Import Bank of India in the amount of up to Rs.700.0 million, which includes a sub-limit of Rs.180.0 million for the issuance of letters of credit, to finance the Parent Guarantor's capital expenditures which are denominated in Indian rupees and U.S. dollars.

Borrowings under the facility which are denominated in Indian rupees bear interest and/or commission at a rate equal to the sum of the applicable benchmark rates of Export-Import Bank of India plus an applicable margin. Borrowings under the facility which are denominated in U.S. dollars bear interest and/or commission at LIBOR plus an applicable margin.

The facility is secured by specific charges of certain moveable and immoveable assets. The facility contains customary covenants including representations and warranties, affirmative covenants, negative covenants and prepayment terms.

In addition, the facility contains customary negative covenants including restrictions to: (i) create any charge, lien or other encumbrance; (ii) create, incur or assume any further indebtedness of any nature; (iii) enter into any merger, amalgamation or consolidation; (iv) effect any material change in the composition of the Parent Guarantor's board of directors; and (v) assume, guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person, firm, company or corporation except for transactions in the ordinary course of business.

In addition, the facility requires the Parent Guarantor to maintain a minimum net fixed assets coverage ratio, an average debt service coverage ratio, a debt equity ratio and a total indebtedness ratio.

Debentures

The Parent Guarantor issued compulsory convertible debentures convertible into equity shares as per the information provided in its Audited Financial Statements.

Other Corporate Guarantees of the Parent Guarantor

Corporate guarantee in the amount of Rs.500.0 million in favor of Rabo India Finance Limited

Pursuant to a deed of corporate guarantee dated September 28, 2015, the Parent Guarantor has provided a corporate guarantee on behalf of SAFL in favor of Rabo India Finance Limited in the amount of Rs.500.0 million upon the terms and conditions of the underlying facility agreement. The corporate guarantee contains certain customary covenants including representations, information covenants, positive covenants and general undertakings.

Corporate guarantee in the amount of up to Rs.140.0 million in favor of Nabkisan Finance Limited

Pursuant to a deed of corporate guarantee dated April 28, 2016, the Parent Guarantor has provided a corporate guarantee on behalf of SAFL in favor of Nabkisan Finance Limited in the amount of up to Rs.140.0 million upon the terms and conditions of the underlying loan agreement. The corporate guarantee contains certain customary covenants including general covenants and other disclosure related covenants.

Indebtedness of the Issuer

Term Loan I

See "— Indebtedness of Subsidiaries — Jain Overseas BV — Term Loan I".

Term Loan II

The Issuer obtained a sanction for a term loan of US$10.0 million in October 2016 for the purpose of financing the outstanding acquisition liability of NaanDanJain Irrigation. The loan accrues interest at LIBOR plus a margin of 400 basis points per annum. The total amount outstanding under this facility was US$5.0 million as of the date of this Offering Memorandum.

The term loan is to be secured, *inter alia*, pledge of shares of NaandanJain Irrigation and a Guarantee from the Parent Guarantor backed by an exclusive charge in specified assets of the Parent Guarantor. The agreements contain customary covenants including, but not limited to, additional interest in case of default, events of default, cross defaults, customary representations and warranties and disclosure of information.

The Parent Guarantor has provided a guarantee on behalf of the Issuer upon the terms and conditions of the agreement governing the loan.

The agreement governing the loan contains customary negative covenants, including restrictions, subject to certain exceptions, on the Issuer and Parent Guarantor's ability, without prior written consent of the bank, to sell or otherwise dispose of any assets of the group, enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction of the group, change in business to create any further charge over their assets, no substantial change in the business of any member of group, acquisitions and investments (subject to conditions and exceptions), declaring dividends (subject to conditions and exceptions), incurring financial indebtedness, changing shareholding or ownership or control of the Issuer. The agreement also contains certain other customary covenants including but not limited to representations and warranties, financial covenants, general undertakings and events of defaults.

The agreement governing the facility includes that the Issuer shall at all times maintain debt service coverage ratio, leverage ratio and total term debt tangible net worth ratio. Further, presently no loan amount is pending for disbursement.

Indebtedness of Subsidiaries

JFFFL

Working Capital Facilities

JFFFL received working capital facilities from State Bank of India and Coöperatieve Rabobank U.A., Mumbai Branch in the amount of Rs.2,500.0 million and Rs.1,000.0 million, respectively. The total amount outstanding under these working capital facilities was Rs.2,215.6 million as of September 30, 2016.

Such working capital facilities include, *inter alia*, cash credit, export packing credit, export bill discounting limits, pre/post shipment credits, documentary, usance inland, letters of credit, letter of undertaking, bank guarantees (performance/financial), derivative contracts working capital and other requirements of JFFFL.

These borrowings bear interest at a rate equal to the sum of applicable benchmark rates of the respective banks plus the applicable margin (which ranged between 1.5% to 3.5% per annum).

The working credit facilities is secured by first charge by way of hypothecation on all present and future current assets including all book-debts, stocks and receivables, title to goods in case of Export Bill Discounting (EBD), merchandise covered by Letter of Credit bills, omnibus counter guarantee by JFFFL; second charge on the entire fixed assets of the JFFFL, present and future of the JFFFL on pari passu basis with other working capital lenders and personal guarantees from Mr. Anil Jain, Mr. Ashok Jain and Mr. Ajit Jain.

The loan documents contain customary negative covenants, including restrictions, subject to certain exceptions, on the Parent Guarantor's ability, without prior written consent of the bank, formulate scheme of amalgamation, undertake any new project, enter into borrowing arrangement, undertake any guarantee or letter of comfort, declare dividends, create charge, sell, assign, transfer and repay monies.

The loan documents also contains customary covenants including, but not limited to, mandatory covenants, events of default, additional interest, penal interest, terms and conditions and documentations etc.

Jain International Foods Ltd

Term Loan Facility

Jain International Foods Ltd, a wholly owned subsidiary of JFFFL, is a party to the term loan facility of US$30 million availed for the purpose of refinancing intra-group loans advanced to any members of the group. The loan accrues interest at LIBOR plus a margin of 3% per annum. As of September 30, 2016, the current interest rate is 4.2568% and the total amount outstanding is US$30 million. The tenure of the loan is up to maximum of five years and matures in April 2021.

The facility is to be secured, *inter alia* by a corporate guarantee issued by JFFFL and a charge over the specific immovable and movable properties of JFFFL. The agreement governing the facility contains customary covenants including, but not limited to, interest reset upon market disruption event, additional interest in case of default, events of default, cross defaults (subject to conditions and exceptions), customary indemnities and information covenants.

The agreement governing the facility contains customary negative covenants, including restrictions, subject to certain exceptions, on Jain International Foods Ltd and JFFFL's ability, without prior written consent of the bank, effect a consolidation or merger beyond a specified limit or otherwise and declaring dividends (subject to conditions and exceptions).

The agreement governing the facility that JFFFL shall maintain tangible net worth total assets ratio, consolidated tangible net worth consolidated total assets ratio, total debt EBITDA ratio, consolidated total debt consolidated EBITDA ratio, debt service coverage ratio and consolidated debt service coverage ratio.

Jain America Holdings Inc ("JAH")

Buyer's Credit Limit

JAH is a party to a facility in the amount of US$16.0 million availed for the purpose of buyer's credit. The loan accrues interest at LIBOR plus a margin of 4% per annum, payable on quarterly basis. As of September 30, 2016, the current interest rate was 5.25% and the total amount outstanding was US$14.3 million. The tenure of the facility is one year from the date of first disbursement.

The facility is to be secured, *inter alia*, by trust receipts relating to each shipment of goods, corporate guarantee issued by the Parent Guarantor, promissory notes and non-disposal undertaking by the Parent Guarantor. The agreement governing the facility contains customary representations and warranties, indemnities and information covenants.

The agreement governing the facility contains customary negative covenants, including restrictions, subject to certain exceptions, on JAH's ability, without prior written consent of the banks, create any charge, encumbrance over the assets offered as security.

The Parent Guarantor provided a corporate guarantee on behalf of JAH upon the terms and conditions of applicable sanction letters and facility agreement. The corporate guarantee contains certain customary covenants including representations and warranties, information undertaking payments, interest, security and other general conditions.

JAH is also party to a promissory note payable to a former shareholder. The promissory note bears an interest rate of 8% payable monthly. The balance due on this promissory note as of September 30, 2016 was US$119,842, of which the current portion was US$23,045. The promissory note includes a prepayment penalty of US$100,000. Management does not anticipate prepayment of the promissory note.

Leasing Facilities

JAH is party to several facility leases, equipment leases and vehicle purchase facilities for financing acquisition of equipment and vehicles, ranging from US$5,000 to US$210,000. The facilities were entered into between 2011 and 2016. The tenure of such facilities ranges between three years and five years and matures between 2016 and 2020.

Several of the lease agreements contain customary covenants including, but not limited to, events of default, insurances, customary indemnities and information covenants and also contain restrictions, subject to certain exceptions, on JAH's ability, without prior written consent of the lender including, but not limited to, effect any merger, acquisition, consolidation or winding up of JAH, sell, transfer or liquidate a material portion of the property or business or incur or permit any lien on any security offered.

Jain Overseas BV

Term Loan I

The Issuer, jointly with Jain Overseas BV, obtained a term loan of US$5.0 million in August 2014 for the purpose of funding the growth of other subsidiaries of the Parent Guarantors. The loan accrues interest at LIBOR plus a margin of 550 basis points per annum. As of September 30, 2016, the current interest rate was 6.3949% and the total amount outstanding was US$3.8 million. The tenure of the loan is up to maximum of seven years and matures on March 2021.

The term loan is to be secured, post amendments, *inter alia* by a debenture on the borrowers, pledge of shares of the Issuer and Jain Overseas BV and Guarantee from the Parent Guarantor and several promoters of the Parent Guarantor.

The loan document contains customary negative covenants, including restrictions, subject to certain exceptions, on the Issuer's and Jain Overseas BV's ability, without prior written consent of the bank, to create any further charge over their assets, to sell or otherwise dispose of assets beyond a specified limit, enter into additional term borrowing, create liens on assets secured, change in management, effect a consolidation or merger beyond a specified limit or otherwise, undertake expansion or new projects or declare dividends (subject to conditions and exceptions)

The loan documents provide that Jain Overseas BV shall at all times maintain a minimum net worth and debt to equity ratio.

Term Loan II

Jain Overseas BV is a party to a term loan facility in the amount of US$10.0 million which was availed for the purpose of refinancing intra-group loans. The loan accrues interest at LIBOR plus a margin of 5.5% per annum. As of September 30, 2016, the current interest rate is 6.3949% and the total amount outstanding was US$4.5 million. The tenure of the loan is up to a maximum of seven years and matures in September 2019. The facility is to be secured, *inter alia*, by a charge over the assets of its subsidiaries.

Pursuant to various term loans, the Parent Guarantor provided a corporate guarantee on behalf of Jain Overseas BV upon the terms and conditions of the underlying facility agreement. The corporate guarantee contains certain customary covenants including representations, information undertakings and general undertakings.

The letter governing the facility contains customary negative covenants, including restrictions, subject to certain exceptions, on Jain Overseas BV's ability, without prior written consent of the bank, effect change in capital structure, formulate any scheme of amalgamation or reconstruction, undertake expansion or modernization, undertake borrowing (subject to conditions and exceptions), create charge or lien over its undertaking, sell or otherwise dispose of assets charged to bank, transfer of controlling interest or change in management or pay unsecured loans or long term creditors (subject to conditions and exceptions).

JISL Overseas Ltd ("JISO")

JISO is a party to a facility of term loan in the amount of US$7 million and a non-fund based facility in the amount of US$27 million which were availed to finance our acquisition NaandanJain Irrigation. The term loan accrues interest at LIBOR plus a margin of 6% per annum and non-fund based facility accrues commission at the rate of 1.75% per annum. With respect to the term loan, the current interest rate was 6.8657% and the total amount outstanding was US$3.3 million as of September 30, 2016. With respect to the non-fund based facility, the total amount outstanding was US$5.0 million as of September 30, 2016. The tenure of the term loan is five years and matures in January 2019. The non-fund based facility matures in June 2017.

The facility is to be secured, *inter alia* by a corporate guarantee issued by the Parent Guarantor, Jain Overseas BV and Jain (Israel) BV pledge of shares and non disposal undertakings. The agreement governing the facility contains customary covenants including, but not limited to, additional interest in case of default, interest reset, customary indemnities and information covenants.

Pursuant to the term loan, the Parent Guarantor provided a guarantee on behalf of JISO upon the terms and conditions of the underlying facility agreement. The guarantee contains certain customary covenants including but not limited to negative covenants and other information covenants. Further, the agreement governing the facility contains customary covenants, including restrictions, subject to certain exceptions, on JISO's ability, without prior written consent of the bank, create charge on the assets offered as security, change in management, and declaring dividends (subject to conditions and exceptions).

Ex-Cel Plastics

Contingent and Discounting Facility

Ex-Cel Plastics is a party to various facilities, such as a contingent facility, a business card facility and an invoice discounting facility. These facilities ranged from €200,000 to €5,000,000. The facilities accrue interest at the rate equal to the prime rate (Euro ledger) plus a margin of 4% per annum and also fixed interest at the rate equal to 3.25% per annum. As of September 30, 2016, the current interest rate was 4.5% and the total amount outstanding was €2.5 million. The tenure of the loan is continuing at the sole discretion of the lender.

The facilities are to be secured, *inter alia*, by a corporate guarantee issued by Jain (Europe) Ltd ("JEL") and floating charge on assets of Ex-Cel Plastics. The agreement governing the facility contains customary covenants including, but not limited to, interest reset, customary indemnities and information covenants.

The agreement governing the facility contains customary negative covenants, including restrictions, subject to certain exceptions, on Ex-Cel Plastics's ability, without prior written consent of the lender, including, but not limited to, creating charge on the assets offered as security, incurring financial indebtedness obligors and distributing and declaring dividends (subject to conditions and exceptions).

Hire Purchase Facilities

Ex-Cel Plastics is also a party to several hire purchase agreements for financing acquisition of equipment, ranging from €39,000 to €332,000. The facilities were entered into between November 2014 and January 2015. As of September 30, 2016, the total amount outstanding was €1.4 million.

Jain USA

Term Loan and Revolving Credit Facility

Jain USA is party to a revolving credit facility that allows for advances of up to US$25.0 million (based on eligible collateral). The company also has a term loan with the same lender in the amount of US$2.2 million. The revolving credit facility accrues interest at the rate of three-month LIBOR plus a margin of 2.75% per annum. The term loan accrues interest at the rate of three-month LIBOR plus a margin of 3.75%. As of September 30, 2016, the interest rate on the revolving credit facility was 3.6% and the interest rate on the term loan was 4.6% and the total amount outstanding was US$12.5 million and US$1.6 million, respectively. The tenure of the loan is the earlier of November 12, 2018 or the date of termination of the revolving credit facility.

The revolving portion of the credit facility is secured by all of the company's receivables and inventory. The term note is secured by certain machinery and equipment. The credit facility agreements contain customary covenants including, but not limited to, fixed charge coverage ratios, events of default, cross defaults (subject to conditions and exception), additional interest in case of default, customary representations and warranties and disclosure of information.

JAH provided a corporate guarantee on behalf of Jain USA, which contains customary covenants including representations and warranties and information undertakings, upon the terms and conditions of the agreement governing loan.

The agreement governing the loan contains customary negative covenants, including restrictions, subject to certain exceptions, on Jain USA's ability, without prior written consent of the bank, to incur, assume guarantee any indebtedness, excluding permitted indebtedness, create lien on any assets, except for permitted liens, entire into any merger, consolidation, reorganization or recapitalization or reclassification of stock, except when permitted, sell or otherwise dispose of any assets beyond the prescribed limits, change in nature of business, change in control.

Leasing Facilities

Jain USA is party to various facility, equipment lease, equipment and vehicle purchase facilities for financing the acquisition of equipment and vehicles, ranging from US$35,000 to US$2,000,000. The facilities were entered into between 2011 and 2016. The tenure of such facilities ranges between three years and five years and mature between 2016 and 2020.

The agreements governing the lease facilities contain customary covenants including, but not limited to, events of default, insurances, customary indemnities and information covenants and also contain restrictions, subject to certain exceptions, on Jain USA's ability, without prior written consent of the lender, including, but not limited to, effect any merger, acquisition, consolidation or winding up of Jain USA, sell, transfer or liquidate material portion of the property or business, incur or permit lien on security offered.

Cascade

Term Loan and Revolving Credit Facility

Cascade is party to a revolving credit facility that allows for advances of up to US$25.0 million (based on eligible collateral). The revolving credit facility accrues interest at the rate of three-month LIBOR plus a margin of 4% per annum. As of September 30, 2016, the interest rate on the revolving Credit facility was 4.9% and the total amount outstanding was US$6.3 million. The tenure of the loan is the earlier of July 31, 2018 or the date of termination of revolving credit facility.

The credit facility is secured by all of the company's receivables and inventory. The credit facility agreements contain customary covenants including, but not limited to, fixed charge coverage ratios, events of default, cross defaults (subject to conditions and exceptions), additional interest in case of default, customary representations and warranties and disclosure of information.

The agreement governing the loan contains customary negative covenants, including restrictions, subject to certain exceptions, on Cascade's ability, without prior written consent of the bank, to incur, assume guarantee any indebtedness, excluding permitted indebtedness, create lien on any assets, except for permitted liens, enter into any merger, consolidation, reorganization or recapitalization or reclassification of stock, except when permitted, sell or otherwise dispose of any assets beyond the prescribed limits and change the nature of business or change in control.

Other Long Term Loans

Cascade is party to other long term loans totaling US$4.2 million. The interest rate on these loans is fixed between 3.5% and 6%. One of the loans matures in August 2018, and the other loan matures in March 2034. The loans are secured by certain land, improvements, property and equipment. The loan agreements contain customary covenants including, but not limited to, events of default, customary representations and warranties and disclosure of information. The loan agreements also contain customary negative covenants, including restrictions, subject to certain exceptions, on Cascade's ability, without prior written consent of the bank, to incur, assume guarantee any indebtedness, excluding permitted indebtedness, create any lien on any assets, except for permitted liens, entire into any merger, consolidation, reorganization or recapitalization or reclassification of stock, except when permitted, sell or otherwise dispose of any assets beyond the prescribed limits and change the nature of business or change in control.

Leasing Facilities

Cascade is party to various facility, equipment lease, equipment and vehicle purchase facilities for financing the acquisition of equipment and vehicles, ranging from US$15,000 to US$2,000,000. The facilities were entered into between 2011 and 2016. The tenure of such facilities ranges between three years and five years and mature between 2016 and 2020.

The agreements governing the lease facilities contain customary covenants, including, but not limited to, events of default, insurances, customary indemnities and information covenants and also contain restrictions, subject to certain exceptions, on Cascade's ability, without prior written consent of the lender, including, but not limited to, effect any merger, acquisition, consolidation or winding up of Jain USA, sell, transfer or liquidate a material portion of the property or business or incur or permit any lien on any security offered.

Pursuant to the facility, the Parent Guarantor has entered into a corporate guarantee upon the terms of a master lease agreement. The master lease agreement and corporate guarantee contain certain customary covenants including representations and warranties, information disclosure undertakings and general undertakings. The outstanding amount under this corporate guarantee was US$0.6 million as of September 30, 2016.

Corporate guarantee in the amount of up to US$5.0 million in favor of Dow Chemicals Company

Pursuant to a deed of corporate guarantee dated June 29, 2009, the Parent Guarantor has provided a corporate guarantee on behalf of Jain USA in favor of Dow Chemicals Company in the amount of US$5.0 million. The corporate guarantee contains certain customary covenants including representations and warranties and information undertakings.

Jain (Europe) Ltd (JEL)

JEL is a party of various term loan and overdraft facility agreements ranging between US$3.0 million and US$13.0 million. Each of the facility accrues interest at LIBOR plus the applicable margin (ranging between 5.00% and 5.50% per annum). As of September 30, 2016, the current interest rate was 5.8537%, 5.8537% and 6.3537%, respectively, and the total amount outstanding was US$8 million, US$3.25 million and US$4.5 million, respectively. The tenure of such facilities is a maximum of one year and renewable annually.

Such facilities is to be secured, *inter alia* by a debenture on JEL, charge of assets of JEL, pledge of shares of Sleaford's subsidiary, corporate guarantee by the Parent Guarantor and personal guarantee of several promoters of the Parent Guarantor (as may be applicable). JEL is required to maintain a minimum security margin of 25% on assets of JEL, including investment in subsidiaries. The agreement governing the facility contains covenants relating to control the level of sundry creditors of the Parent Guarantor beyond specified limit and customary covenants, including, but not limited to, additional interest in case of default, prepayment charges, events of default, inspection, customary indemnities and information covenants.

Each of the agreement governing the facility contains customary negative covenants, including restrictions, subject to certain exceptions, on JEL's ability, without prior written consent of the bank, effect change in capital structure, formulate any scheme of amalgamation or reconstruction, under new projects or expansion or capital expenditure, incur borrowing except for working capital, undertake guarantee obligations, create charge over its undertaking, sell, assign, or otherwise dispose of assets charged to the lender and declaring dividends (subject to conditions and exceptions).

The agreements governing the facility that JEL shall maintain EBITDA interest ratio, debt total net worth ratio, minimum level of sundry creditors, maintain equity level, and maintain related party receivables up to the specified limit.

Sleaford

Working capital Facilities

Sleaford is a party to various facilities comprising of debt purchase agreement, import trade finance facility, direct supplier loan and overdraft facility. The facilities have been entered into between August 2004 and March 2014. Such facilities range between £800,000 and £8,000,000. The import trade facility accrues interest at the rate equal to the United Kingdom base rate plus a margin of 2.75% per annum. The tenure of such facility ranges from 100 days to 210 days after its utilization date.

Hire Purchase Facility

Sleaford is also a party to several hire purchase agreements for financing acquisition of equipment, ranging from £40,000 to £260,000. The facilities were entered into between March 2012 and November 2013.

NaandanJain Irrigation, Israel

NaandanJain Irrigation is a party to various facility agreements entered into with several banks in Israel and abroad. The company has several long term loans under the Israeli shekel borrowing entered with several banks in Israel. The long term loans bear interest at a rate equal to the benchmark rate of the Bank of Israel plus the applicable margin (which ranged between 1.10% to 1.60% per annum), or fixed interest rate ranging from 3.30% to 3.85%.

NaandanJain Irrigation is also a party of various working capital agreements and overdraft facility agreements. Such facilities range between US$5.0 million and US$20.0 million. Borrowings under the ILS term loan bear interest at a rate equal to the benchmark rate of the Bank of Israel plus the applicable margin (which ranged between 0.60% to 0.90% per annum) and borrowings under the foreign currency term loan bear the interest at LIBOR rate plus the applicable margin (ranging between 2.20% and 3.00% per annum). The tenure of such facilities is a maximum of one year and renewable annually.

To secure such facilities to banks, NaandanJain Irrigation registered a fixed lien on the unpaid share capital, goodwill and rights deriving from insurance of the pledged assets, as well as floating liens and charges on NaandanJain Irrigation plant and all its other assets (including assets that it will hold in the future), including insurance rights.

NaandanJain Irrigation has also signed covenant agreements with the banks, under which it has assumed, *inter alia*, various obligations with respect to the financial relations that will prevail between it and its owners. Such covenants agreements include: events of default, insurances, customary indemnities and information covenants and also contains restrictions, subject to certain exceptions, on NaandanJain Irrigation's ability, without the prior written consent of the bank including, but not limited to, effect any, merger, acquisition, consolidation or winding up of NaandanJain Irrigation, sell, transfer or liquidate a material portion of the property or business, incur or permit any lien on any security offered.

The agreements governing the facility that NaandanJain Irrigation shall maintain debt to EBITDA ratio, maintain equity level, and maintain operational profit level.

THE Machines

THE Machines is a party to term loan facility from Banque Cantonale Neuchateloise. The facility accrues interest at the rate equal to 2.38%. As of September 30, 2016 outstanding facility amount was CHF2.3 million.

DESCRIPTION OF THE NOTES

For purposes of this "*Description of the Notes*," the term "Issuer" refers only to Jain International Trading BV, a Company incorporated with limited liability under the laws of The Netherlands, and any successor obligor on the Notes, and not to any of its Subsidiaries. The term "Parent Guarantor" refers only to Jain Irrigation Systems Ltd. and the term "Note Guarantee" refers only to the Parent Guarantor's guarantee of the Notes.

The Notes are to be issued under an indenture (the "**Indenture**"), to be dated as of , 2017 among, *inter alia*, the Issuer, the Parent Guarantor and The Bank of New York Mellon, London Branch, as trustee (the "**Trustee**").

The following is a summary of certain provisions of the Indenture, the Notes and the Note Guarantee. This summary does not purport to be complete, and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Indenture, the Notes and the Note Guarantee. It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture will be available for inspection on or after the Original Issue Date (as defined herein) at the corporate trust office of the Trustee at One Canada Square, London E14 5AL, United Kingdom. Defined terms used herein which are not immediately defined, have the meanings ascribed to them in the section under the caption "— *Definitions*."

Brief Description of the Notes

The Notes are:

- general, unsecured and unsubordinated obligations of the Issuer;
- senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Issuer (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law);
- guaranteed by the Parent Guarantor on a senior basis, subject to the limitations described below under the captions "— *Note Guarantee*" and in "*Risk Factors — Risks Related to the Notes and the Note Guarantee;*"
- effectively subordinated to the existing and future secured obligations of the Issuer, if any, and the Parent Guarantor, to the extent of the value of the assets serving as security therefor; and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (as defined below).

The Notes will mature on , 2022, unless earlier redeemed pursuant to the terms thereof and the Indenture.

The Notes will bear interest at % per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually in arrears on and of each year (each an "**Interest Payment Date**"), commencing , 2017. Interest on the Notes will be paid to Holders of record at the close of business on   or   immediately preceding an Interest Payment Date (each, a "**Record Date**"), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Except as described under the captions "— *Optional Redemption*" and "— *Redemption for Taxation Reasons*" or as otherwise provided in the Indenture, the Notes may not be redeemed prior to maturity (unless they have been repurchased by the Issuer).

In any case in which the date of the payment of principal of, premium on or interest on the Notes is not a Business Day, then payment of such principal, premium or interest need not be made on such date but may be made on the next succeeding Business Day. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due and no interest on the Notes shall accrue for the period after such date.

The Indenture will allow additional Notes to be issued from time to time ("**Additional Notes**"), subject to certain limitations described below under the caption "— *Further Issues.*" Unless the context requires otherwise, references to the "**Notes**" for all purposes of the Indenture and this "*Description of the Notes*" include any Additional Notes that are actually issued.

The Notes will be issued only in fully registered form, without coupons, in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of the Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in U.S. dollars by the Issuer at the office or agency of the Issuer maintained for that purpose (which initially will be the specified office of the Paying Agent currently located at One Canada Square, London E14 5AL, United Kingdom), and the Notes may be presented for registration of transfer or exchange at such office; *provided* that, at the option of the Issuer, payment of interest may be made by check (where such payment is made by the Issuer) mailed to the address of the Holders as such address appears in the Note register maintained by the Registrar or by wire transfer. Interest payable on the Notes held through Euroclear or Clearstream (each as defined herein) will be available to Euroclear or Clearstream participants on the Business Day following payment thereof.

Note Guarantee

The Notes will be guaranteed by the Parent Guarantor. The Note Guarantee is:

- a senior unsecured obligation of the Parent Guarantor;
- senior in right of payment to all future obligations of the Parent Guarantor expressly subordinated in right of payment to the Note Guarantee;
- at least *pari passu* in right of payment with all unsecured, unsubordinated Indebtedness of the Parent Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law); and
- effectively subordinated to the current and future secured obligations of the Parent Guarantor, if any, to the extent of the value of the assets serving as security therefor.

As at the Original Issue Date, the Parent Guarantor's potential liability under its Note Guarantee is capped at an amount equal to 150% of the total initial aggregate principal amount of the Notes being US$ (the "**Note Guaranteed Amount**"). The Note Guaranteed Amount may be reduced by any amounts paid by the Parent Guarantor under the Note Guarantee from time to time and by the aggregate principal amount of Notes that are redeemed and cancelled by the Issuer from time to time. The Note Guaranteed Amount may be increased from time to time up to a maximum of 150% of the then outstanding total aggregate principal amount of the Notes, including any Additional Notes (the "**Maximum Note Guaranteed Amount**"). In the event that, on any anniversary of the Original Issue Date, the Note Guaranteed Amount is less than the Maximum Note Guaranteed Amount, the Parent Guarantor shall give notice thereof to the Holders and to the Trustee and shall not:

- declare or pay any dividends, interest or make any other payment on, and will procure that no dividend, interest or other payment is made on any class of its Capital Stock (including preference shares) or Subordinated Indebtedness; or

- redeem, reduce, cancel, buy-back or otherwise acquire for any consideration any of its share capital or its Subordinated Indebtedness;

until the earlier of: (i) the next calendar day on which, for the Parent Guarantor, the Note Guaranteed Amount is increased to be equal to the Maximum Note Guaranteed Amount; and (ii) the calendar day on which all of the Notes have been redeemed in full. See "Risk Factors — Risks Relating to the Notes and the Note Guarantee — The guarantee of the Notes by the Parent Guarantor is capped at 150% of the principal amount of the Notes and may not be sufficient to pay all amounts due under the Notes or the Indenture."

Parent Guarantor (consolidated).

- As of September 30, 2016, the Parent Guarantor and its consolidated subsidiaries had total long-term borrowings of Rs.20,236.8 million (US$303.6 million) (of which approximately Rs.14,396.6 million (US$216.0 million) was secured bank borrowings); short-term borrowings of Rs.24,449.5 million (US$366.8 million) (of which approximately Rs.24,261.2 million (US$364.0 million) was secured bank borrowings); total liabilities of Rs.93,646.0 million (US$1,404.8 million); non-current assets of Rs.36,139.2 million (US$542.2 million); and total assets of Rs.93,646.0 million (US$1,404.8 million).

- For the fiscal year ended March 31, 2016 and the half-year ended September 30, 2016, the Parent Guarantor and its consolidated subsidiaries had total income of Rs.63,336.9 million (US$967.4 million) and Rs.31,778.0 million (US$474.6 million), respectively; profit before tax of Rs.967.2 million (US$14.8 million) and Rs.813.0 million (US$12.1 million), respectively; and profit for the year of Rs.882.7 million (US$13.5 million) and Rs.865.7 million (US$12.9 million), respectively.

Parent Guarantor (unconsolidated).

- As of September 30, 2016, the Parent Guarantor, on an unconsolidated basis, had total long-term borrowings of Rs.13,540.6 million (US$203.2 million) (of which approximately Rs.9,076.4 million (US$136.2 million) was secured bank borrowings); short-term borrowings of Rs.15,853.6 million (US$237.8 million) (of which approximately Rs.15,853.6 million (US$237.8 million) was secured bank borrowings); total liabilities of Rs.67,328.3 million (US$1,010.0 million); non-current assets of Rs.29,663.1 million (US$445.0 million); and total assets of Rs.67,328.3 million (US$1,010.0 million).

- For the fiscal year ended March 31, 2016 and the half-year ended September 30, 2016, the Parent Guarantor, on an unconsolidated basis, had total income of Rs.42,803.6

million (US$653.8 million) and Rs.17,172.3 million (US$256.5 million), respectively; profit before tax of Rs.924.1 million (US$14.1 million) and Rs.339.5 million (US$5.1 million), respectively; and profit for the year of Rs.712.5 million (US$10.9 million) and Rs.399.9 million (US$5.6 million), respectively.

Issuer (unconsolidated).

- As of September 30, 2016, the Issuer had total long-term borrowings of Rs.2,664.0 million (US$40.0 million) (of which approximately Rs.Nil (US$Nil) was secured bank borrowings); short-term borrowings of Rs.1,132.3 million (US$17.0 million) (of which approximately Rs.Nil (US$Nil) was secured bank borrowings); total liabilities of Rs.8,194.5 million (US$122.9 million); non-current assets of Rs.7,293.2 million (US$109.4 million); and total assets of Rs.8,194.5 million (US$122.9 million).

- For the fiscal year ended March 31, 2016 and the half-year ended September 30, 2016, the Issuer had total income of Rs.148.1 million (US$2.3 million) and Rs.80.5 million (US$1.2 million), respectively; loss before tax of Rs.30.4 million (US$0.5 million) and Rs.11.8 million (US$0.2 million), respectively; and loss for the year of Rs.30.4 million (US$0.5 million) and Rs.11.8 million (US$0.2 million), respectively.

Although the Indenture contains limitations on the amount of additional Indebtedness that Non-Guarantor Subsidiaries may incur, the amount of such additional Indebtedness could be substantial. In the event of a bankruptcy, liquidation or reorganization of any Non-Guarantor Subsidiary, such Non-Guarantor Subsidiary will pay the holders of its debt and its trade creditors before it will be able to distribute any of its assets to the Parent Guarantor.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, the Parent Guarantor guarantees the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes. The Parent Guarantor will (1) agree that its obligations under the Note Guarantee will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive its right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Note Guarantee. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Note Guarantee will be reinstated with respect to such payments as though such payment had not been made. All payments under the Note Guarantee are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, the Note Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the Parent Guarantor without rendering the Note Guarantee voidable under applicable law relating to fraudulent conveyance, fraudulent transfer, unfair preference, financial assistance, absence or inadequacy of corporate benefit, insolvency or similar laws affecting the rights of creditors generally and the FEMA ODI Regulations and the Guarantees Guidelines. If the Note Guarantee were to be rendered voidable, it could be subordinated by a court to all other Indebtedness (including Guarantees and other contingent liabilities) of the Parent Guarantor, and, depending on the amount of such Indebtedness, the Parent Guarantor's liability on the Note Guarantee could be reduced to zero.

The obligations of the Parent Guarantor under the Note Guarantee may be limited, or possibly invalid, under applicable laws. See "*Risk Factors — Risks Relating to the Notes and the Note Guarantee.*"

Further Issues

Subject to the covenants described below and otherwise in accordance with the terms of the Indenture, the Issuer may, from time to time, without notice to, or the consent of, the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of the Note Guarantee) in all respects (or in all respects except for the issue date, issue price and the interest period and, to the extent necessary, certain temporary securities law transfer restrictions) (a "**Further Issue**") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that the issuance of any such Additional Notes shall then be permitted by the covenant described under the caption "— *Limitation on Indebtedness*" and the other provisions of the Indenture.

Optional Redemption

At any time and from time to time prior to , 2020, the Issuer may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). Neither the Trustee nor the Paying Agent will be responsible for calculating or verifying the Applicable Premium.

At any time and from time to time on or after , 2020, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount of the Notes redeemed set forth below plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve month period beginning on of each year set forth below:

Period	Redemption Price
2020	%
2021 and thereafter	%

At any time and from time to time prior to , 2020, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of Common Stock of the Parent Guarantor in an Equity Offering at a redemption price of % of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided* that at least 65% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

Selection and Notice

The Issuer will give not less than 30 days' nor more than 60 days' notice of any redemption to the Holders and the Trustee. If less than all of the Notes are to be redeemed at any time, the Notes will be selected for redemption as follows:

(1) if the Notes are listed on any securities exchange or held through a clearing system, in compliance with the requirements of the principal securities exchange on which the Notes are listed, if any, or the requirements of the clearing system; or

(2) if the Notes are not listed on any securities exchange or held through a clearing system, on a *pro rata* basis, by lot or by such other method as the Trustee in its sole discretion deems fair and appropriate in accordance with applicable law.

No Note of US$200,000 in principal amount or less shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of Notes called for redemption.

Repurchase of Notes upon a Change of Control

Not later than 30 days following a Change of Control, the Issuer will make an Offer to Purchase all outstanding Notes (a "**Change of Control Offer**") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Parent Guarantor and the Issuer will agree in the Indenture that each of them will repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. Notwithstanding the foregoing, it is important to note that if the Parent Guarantor and the Issuer are unable to repay, or otherwise cause to be repaid, all of the Indebtedness, if any, that would prohibit the repurchase of the Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the Notes tendered pursuant to the Change of Control Offer. In that case, the Issuer's failure to purchase the tendered Notes would constitute an Event of Default under the Indenture.

Certain of the events constituting a Change of Control under the Notes may also constitute a default or an event of default under certain debt instruments of the Parent Guarantor and its Subsidiaries. Future debt of the Parent Guarantor or its Subsidiaries may also (1) prohibit the Parent Guarantor or the Issuer from purchasing Notes in the event of a Change of Control; (2) provide that a Change of Control is a default; or (3) require repurchase of such debt upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control itself does not, due to the financial effect of the purchase of the tendered Notes on the Issuer or the Parent Guarantor. The Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the then-existing financial resources of the Issuer and the Parent Guarantor. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes tendered pursuant to the Change of Control Offer. See "*Risk Factors — Risks Relating to the Notes and the Note Guarantee — The Issuer may not have the ability to raise the funds necessary to repurchase the Notes upon the occurrence of a change of control event*."

The phrase "all or substantially all", as used with respect to the assets of the Parent Guarantor in the definition of "Change of Control," will likely be interpreted under applicable law of the relevant jurisdictions and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the property or assets of the Parent Guarantor has occurred.

Notwithstanding the above, the Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner at the same time and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control, the Indenture will not contain provisions that permit the Holders to require that the Issuer or the Parent Guarantor purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

No Mandatory Redemption or Sinking Fund

There will be no mandatory redemption or sinking fund payments for the Notes. The Issuer and the Parent Guarantor may at any time and from time to time purchase Notes in the open market or otherwise.

Additional Amounts

All payments of principal of, premium, if any, and interest on the Notes or under the Note Guarantee will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Issuer, the Parent Guarantor or any Surviving Person (as defined under the caption "— *Consolidation, Merger and Sale of Assets*") is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "**Relevant Jurisdiction**"), or the jurisdiction through which payments are made by the Issuer, the Parent Guarantor or any Surviving Person or, in each case, one of their agents, or any political subdivision or taxing authority thereof or therein (each, together with a Relevant Jurisdiction, a "**Taxing Jurisdiction**"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer, the Parent Guarantor or any Surviving Person, as the case may be, will pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holder of each Note of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

(1) for or on account of:

(a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(i) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Taxing Jurisdiction, other than merely holding such Note or the receipt of payments thereunder or under the Note Guarantee, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Taxing Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on the last day of such 30-day period;

(iii) the failure of the Holder or beneficial owner to comply with a timely request of the Issuer, the Parent Guarantor or any Surviving Person, addressed to the Holder, to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Taxing Jurisdiction, if and to the extent that due and timely compliance with such request is required under the tax laws of such jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder; or (iv) the presentation of such Note (in cases in which presentation is required) for payment in the Taxing Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a) and (b); or

(2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Taxing Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note or under the Note Guarantee, such mention shall be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Notwithstanding the foregoing, the Issuer, the Parent Guarantor or any Surviving Person shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986, Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of a holder, beneficial owner or an intermediary not being entitled to receive payments free of FATCA withholding. None of the Issuer, the Parent Guarantor or any Surviving Person will have any obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA withholding deducted or withheld by the Issuer, the Parent Guarantor, the Surviving Person, the Paying Agent or any other party.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Issuer or a Surviving Person, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders and the Trustee (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Issuer or the Surviving Person, as the case may be, for redemption (the "**Tax Redemption Date**") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or

(2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective (or in the case of a change in an official position or a stating of an official position, is announced) (i) with respect to the Issuer or the Parent Guarantor, on or after the date of the Original Issue Date, or (ii) with respect to any Surviving Person, on or after the date such Surviving Person becomes a Parent Guarantor or Surviving

Person, with respect to any payment due or to become due under the Notes or the Indenture, Issuer, the Parent Guarantor or a Surviving Person, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts in excess of the Additional Amounts it would be required to pay in the absence of such change or amendment, and such requirement cannot be avoided by the taking of reasonable measures by the Issuer, the Parent Guarantor or a Surviving Person; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer, the Parent Guarantor or a Surviving Person would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due. For the avoidance of doubt, where any Additional Amounts are payable with respect to withholding or deduction of taxes imposed by India or any political subdivision or taxing authority thereof or therein, the Issuer or a Surviving Person shall be permitted to redeem the Notes in accordance with the provisions hereof only if the rate of withholding or deduction exceeds 5% (plus applicable surcharge and cess).

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer, the Parent Guarantor or a Surviving Person will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date:

(1) an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Issuer, the Parent Guarantor or such Surviving Person taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee shall and is entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be cancelled.

Certain Covenants

Set forth below are summaries of certain covenants to be contained in the Indenture.

Limitation on Indebtedness

(1) The Parent Guarantor will not, and the Parent Guarantor will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), *provided* that the Parent Guarantor, the Issuer and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (w) no Default has occurred and is continuing, (x) the Fixed Charge Coverage Ratio would be not less than (i) 2.0 to 1.0 with respect to any Incurrence of Indebtedness on or prior to September 30, 2018 and (ii) 2.5 to 1.0 with respect to any Incurrence of Indebtedness thereafter, and (y) the Long-term Priority Debt to Total Assets Ratio[1] would be not greater than 0.15 to 1.0.

[1] To discuss if the company will need flexibility to designate Subsidiary Guarantors provide guarantee to the Notes.

(2) Notwithstanding the foregoing, the Parent Guarantor and, to the extent provided below, any Restricted Subsidiary may Incur each and all of the following Indebtedness (collectively, "**Permitted Indebtedness**"):

(a) Indebtedness under the Notes (excluding any Additional Notes) and the Note Guarantee;

(b) Indebtedness of the Parent Guarantor or any Restricted Subsidiary outstanding on the Original Issue Date, excluding Indebtedness permitted under clause (c);

(c) Indebtedness of the Parent Guarantor or Indebtedness of any Restricted Subsidiary owed to or held by the Parent Guarantor or any Restricted Subsidiary; *provided* that (i) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Parent Guarantor or to another Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (c), (ii) if the Issuer is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly be subordinated in right of payment to the Notes and (iii) if the Parent Guarantor is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly be subordinated in right of payment to the Note Guarantee;

(d) Indebtedness ("**Permitted Refinancing Indebtedness**") issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, "refinance" and "refinances" and "refinanced" shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness that is no longer outstanding but that is refinanced (including, in the case of working capital facilities and similar instruments governing Indebtedness of the type described in clause (k) of this paragraph, the full and maximum amount of the original Indebtedness originally Incurred under such facility, *provided* that such Incurrence was permitted under the Indenture), substantially concurrently with the Incurrence of such Permitted Refinancing Indebtedness) Incurred under the immediately preceding paragraph (1) or clauses (a), (b), (k) or (m) of this paragraph (2) and any refinancings thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses); *provided* that (i) Indebtedness the proceeds of which are used to refinance the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or the Note Guarantee shall only be permitted under this clause (d) if (A) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or the Note Guarantee, as the case may be, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or the Note Guarantee, as the case may be, or (B) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or the Note Guarantee, as the case may be, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or the Note Guarantee, as the case may be, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or the Note Guarantee, (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced and (iii) in no event may Indebtedness of the Issuer or Parent Guarantor be refinanced pursuant this clause by means of any Indebtedness of any Non-Guarantor Subsidiary;

(e) Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary pursuant to Hedging Obligations entered into in the ordinary course of business and designed solely to protect the Parent Guarantor or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation; (f) Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary constituting (i) reimbursement obligations with respect to workers' compensation claims or self-insurance obligations; or (ii) bid, appeal, performance or surety bonds or payment obligation in connection with insurable premiums, in each case in the ordinary course of business (in the case of (i) and (ii) other than for an obligation for borrowed money);

(f) Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit or trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit or trade guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Parent Guarantor or such Restricted Subsidiary of a demand for reimbursement;

(g) Indebtedness arising from agreements providing for indemnification, obligations in respect of earn-outs, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Parent Guarantor or any Restricted Subsidiary pursuant to such agreements, in any case, Incurred in connection with the acquisition or disposition of any businesses, assets or Restricted Subsidiaries, other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiaries for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness in the nature of such Guarantee shall at no time exceed the gross proceeds actually received by the Parent Guarantor and its Restricted Subsidiaries in connection with such acquisition or disposition;

(h) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of Incurrence;

(i) Guarantees by the Issuer, the Parent Guarantor or any Restricted Subsidiary of Indebtedness of the Parent Guarantor or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant, subject to the covenant described under the caption "— *Limitation on Issuances of Guarantees by Restricted Subsidiaries*;"

(j) Indebtedness of the Parent Guarantor or any Restricted Subsidiary with a maturity of one year or less used by the Parent Guarantor or any Restricted Subsidiary for working capital (including, for the avoidance of doubt, commercial paper facilities); *provided* that the aggregate principal amount of Indebtedness permitted by this clause (j) at any time outstanding (together with refinancings thereof) does not exceed an amount equal to US$15.0 million (or the Dollar Equivalent thereof);

(k) Indebtedness Incurred by the Parent Guarantor or a Restricted Subsidiary constituting a Subordinated Shareholder Loan; and

(l) Indebtedness of the Parent Guarantor or any Restricted Subsidiary in an aggregate principal amount outstanding at any time (together with refinancings thereof) not to exceed US$5.0 million (or the Dollar Equivalent thereof).

(3) For purposes of determining compliance with this "*Limitation on Indebtedness*" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first paragraph, the Parent Guarantor, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness in one or more types of Indebtedness described above and shall only be required to include the amount of such Indebtedness in one of the above clauses.

(4) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included.

(5) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies, *provided* that such Indebtedness was permitted to be Incurred at the time of such Incurrence.

Limitation on Restricted Payments

The Issuer and the Parent Guarantor will not, and the Parent Guarantor will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "**Restricted Payments**"):

(1) declare or pay any dividend or make any distribution on or with respect to the Parent Guarantor's or any of its Restricted Subsidiaries' Capital Stock (other than dividends or distributions payable or paid in shares of the Parent Guarantor's Capital Stock or any of its Restricted Subsidiaries' Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire such shares) held by Persons other than the Parent Guarantor or any Wholly Owned Restricted Subsidiary;

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Parent Guarantor or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Parent Guarantor held by any Persons other than the Parent Guarantor or any Restricted Subsidiary;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or the Note Guarantee (excluding any intercompany Indebtedness between or among the Parent Guarantor and any of the Restricted Subsidiaries); or

(4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(a) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(b) the Parent Guarantor could not Incur at least US$1.00 of Indebtedness under provisos (w) and (x) (excluding, for purposes of this covenant, proviso (y)) in the first paragraph of the covenant described under the caption "— *Limitation on Indebtedness;*" or

(c) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Parent Guarantor and its Restricted Subsidiaries after the Original Issue Date, shall exceed the sum of:

(i) 50% of the aggregate amount of the Consolidated Net Income of the Parent Guarantor (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the semi-annual period during which the Notes are first issued and ending on the last day of the Parent Guarantor's most recently ended semi-annual period for which consolidated financial statements of the Parent Guarantor (which the Parent Guarantor shall use its best efforts to compile in a timely manner) are available and have been provided to the Trustee; *plus*

(ii) 100% of the aggregate Net Cash Proceeds received by the Parent Guarantor after the Original Issue Date as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Parent Guarantor, including any such Net Cash Proceeds received upon (A) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Parent Guarantor into Capital Stock (other than Disqualified Stock) of the Parent Guarantor, or (B) the exercise by a Person who is not a Subsidiary of the Parent Guarantor of any options, warrants or other rights to acquire Capital Stock of the Parent Guarantor (other than Disqualified Stock) in each case excluding the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Parent Guarantor; *plus*

(iii) the amount by which Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries is reduced on the Parent Guarantor's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Parent Guarantor) subsequent to the Original Issue Date of any Indebtedness of the Parent Guarantor or any of its Restricted Subsidiaries convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Parent Guarantor (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Parent Guarantor upon such conversion or exchange); *plus*

(iv) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Original Issue Date in any Person resulting from (A) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Parent Guarantor or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after the Original Issue Date, (B) the unconditional release of a Guarantee provided by the Parent Guarantor or a Restricted Subsidiary after the Original Issue Date of an obligation of another Person, (C) to the extent that an Investment made after the Original Issue Date was, after such date, or is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, (D) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Parent Guarantor or a Restricted Subsidiary after the Original Issue Date in any such Person or (E) any Person becoming a Restricted Subsidiary (whereupon all Investments made by the Parent Guarantor or any Restricted

Subsidiary in such Person since the Original Issue Date shall be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investment") but only to the extent such Investments by the Parent Guarantor or any Restricted Subsidiary in such Person was a Restricted Payment made to the extent permitted under this paragraph (c).

The foregoing provision shall not be violated by reason of any of the following:

(1) the payment of any dividend or redemption of any Capital Stock within 90 days after the related date of declaration or call for redemption if, at the date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Issuer or the Parent Guarantor with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(3) the redemption, repurchase or other acquisition of Capital Stock of the Parent Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or a sale (other than to a Subsidiary of the Parent Guarantor) of, shares of the Capital Stock (other than Disqualified Stock) of the Parent Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Parent Guarantor in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Parent Guarantor) of, shares of Capital Stock (other than Disqualified Stock) of the Parent Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(5) the declaration and payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis or on a basis more favorable to the Parent Guarantor, to all holders of any class of Capital Stock of such Restricted Subsidiary;

(6) (A) the repurchase, redemption or other acquisition or retirement for value of the Capital Stock of the Parent Guarantor or any Restricted Subsidiary (directly or indirectly, including through any trustee, agent or nominee) in connection with an employee benefit plan, and any corresponding Investment by the Parent Guarantor or any Restricted Subsidiary in any trust or similar arrangement to the extent of such repurchased, redeemed, acquired or retired Capital Stock, or (B) the repurchase, redemption or other acquisition or retirement for value of any Capital Stock of the Parent Guarantor or any Restricted Subsidiary held by an employee benefit plan of the Parent Guarantor or any Restricted Subsidiary, any current or former officer, director, consultant, or employee of the Parent Guarantor or any Restricted Subsidiary (or permitted transferees, estates or heirs of any of the foregoing); *provided* that the aggregate consideration paid for all such repurchased, redeemed, acquired or retired Capital Stock shall not exceed US$1.0 million in any fiscal year (or the Dollar Equivalent thereof);

(7) cash payment in lieu of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of the Parent Guarantor, *provided, however*, that any such cash payment shall not be for the purpose of evading the limitations of this "— *Limitation on Restricted Payments*" covenant (as determined in good faith by the Board of Directors of the Parent Guarantor);

(8) a Permitted Investment under clause (1) of the definition thereof in the Capital Stock of a Restricted Subsidiary held by a minority shareholder which Investment increases the proportion of the Capital Stock of such Restricted Subsidiary held, directly or indirectly, by the Parent Guarantor;

(9) any Restricted Payment in an aggregate amount, taken together with all other Restricted Payments made in reliance on this clause (9), not to exceed US$5.0 million (or the Dollar Equivalent thereof),

provided that, in the case of clause (2), (3) or (4) of the preceding paragraph, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment made pursuant to clause (1) of the preceding paragraph shall be included in calculating whether the conditions of clause (c) of the first paragraph of this "— *Limitation on Restricted Payments*" covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Parent Guarantor or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

The value of any assets or securities that are required to be valued by this "— *Limitation on Restricted Payments*" covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of recognized standing if the Fair Market Value exceeds US$10.0 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in excess of US$10.0 million (or the Dollar Equivalent thereof) (other than any Restricted Payment set forth in clauses (5) through (8)), the Parent Guarantor will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "— *Limitation on Restricted Payments*" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) Except as provided below, the Parent Guarantor will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Parent Guarantor or any other Restricted Subsidiary;

(b) pay any Indebtedness or other obligation owed to the Parent Guarantor or any other Restricted Subsidiary;

(c) make loans or advances to the Parent Guarantor or any other Restricted Subsidiary; or

(d) sell, lease or transfer any of its property or assets to the Parent Guarantor or any other Restricted Subsidiary,

provided that for the avoidance of doubt the following shall not be deemed to constitute such an encumbrance or restriction: (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Parent Guarantor or any Restricted Subsidiary to other Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary; and (iii) the provisions contained in documentation governing Indebtedness requiring transactions between or among the Parent Guarantor and any Restricted Subsidiary or between or among any Restricted Subsidiaries to be on fair and reasonable terms or on an arm's length basis.

(2) The provisions of paragraph (1) do not apply to any encumbrances or restrictions:

(a) existing in agreements in effect on the Original Issue Date, or in the Notes, the Note Guarantee or the Indenture, and any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(b) existing under or by reason of applicable law or any applicable rule, regulation or order, governmental licenses, authorizations, concessions, permits or similar instruments or as otherwise required by any regulatory authority;

(c) existing with respect to any Person or the property or assets of such Person acquired by the Parent Guarantor or any Restricted Subsidiary, at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(d) that otherwise would be prohibited by the provision described in clause (1)(d) of this covenant if they arise, or are agreed to, in the ordinary course of business and, that (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, or (ii) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Parent Guarantor or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of the property or assets of the Parent Guarantor or any Restricted Subsidiary in any manner material to the Parent Guarantor or any Restricted Subsidiary;

(e) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the covenants described under the following captions: "— *Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries*," "— *Limitation on Indebtedness*" and "— *Limitation on Asset Sales*;"

(f) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness or issuance of Preferred Stock or Disqualified Stock of the type described under clauses (2)(e) or permitted under clause (2)(k) or (m) of the covenant described under the caption "— *Limitation on Indebtedness*" if the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Parent Guarantor to make required payments on the Notes and any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced; *provided* further that, the Board of Directors is empowered to determine as to whether the conditions set forth in clauses (i) and (ii) are met, which determination shall be conclusive if evidenced by a Board Resolution;

(g) existing in customary provisions in shareholders' agreement, joint venture agreements and other similar agreements permitted under the Indenture, to the extent such encumbrance or restriction relates to the activities or assets of a Restricted Subsidiary that is a party to such joint venture and if (i) the encumbrances or restrictions are customary for a shareholders', joint venture or similar agreement of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially and adversely affect (x) the ability of the Issuer to make the required payments on the Notes, or (y) the Parent Guarantor to make required payments under the Note Guarantee; *provided* further that, the Board of Directors is empowered to determine as to whether the conditions set forth in clauses (i) and (ii) are met, which determination shall be conclusive if evidenced by a Board Resolution;

(h) existing with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of the Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such former Unrestricted Subsidiary or its subsidiaries or the property or assets of such former Unrestricted Subsidiary or its subsidiaries, and any extensions, refinancing, renewals or replacements thereof; *provided* that, the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(i) existing under or by reason of restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; or

(j) existing under or by reason of customary restrictions imposed on the transfer of, or in licenses related to, copyrights, patents or other intellectual property and contained in agreements entered into in the ordinary course of business.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Parent Guarantor will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

(1) to the Parent Guarantor or a Wholly Owned Restricted Subsidiary, or in the case of a Restricted Subsidiary that is not Wholly Owned, *pro rata* to its shareholders or incorporators;

(2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Parent Guarantor or a Wholly Owned Restricted Subsidiary;

(3) the sale or issuance of Capital Stock of a Restricted Subsidiary other than the Issuer if, immediately after giving effect to such sale or issuance, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the covenant described under the caption "— *Limitation on Restricted Payments*" if made on the date of such sale or issuance and provided that such sale or issuance is permitted under, and the Parent Guarantor complies with, the covenant described under the caption "— *Limitation on Asset Sales*;" or

(4) the sale or issuance of Capital Stock of a Restricted Subsidiary other than the Issuer (which remains a Restricted Subsidiary after any such sale or issuance); *provided* that such sale or issuance is permitted under, and the Parent Guarantor or such Restricted Subsidiary complies with the covenant described under the caption "— *Limitation on Asset Sales*."

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Parent Guarantor will not permit any Restricted Subsidiary (other than the Issuer), directly or indirectly, to guarantee any Indebtedness ("**Guaranteed Indebtedness**") of the Parent Guarantor or the Issuer, unless (1)(a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Parent Guarantor or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its guarantee until the Notes have been paid in full.

If the Guaranteed Indebtedness (1) ranks *pari passu* in right of payment with the Notes or the Note Guarantee, then the guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Note Guarantee, or (2) is subordinated in right of payment to the Notes or the Note Guarantee, then the guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Note Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Note Guarantee.

Limitation on Transactions with Shareholders and Affiliates

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 10.0% or more of any class of Capital Stock of the Parent Guarantor or (y) any Affiliate of the Parent Guarantor (each an "**Affiliate Transaction**"), unless:

(1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm's length transaction by the Parent Guarantor or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Parent Guarantor or the relevant Restricted Subsidiary; and

(2) the Parent Guarantor delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause 2(a) above, an opinion as to the fairness to the Parent Guarantor or the relevant Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized standing.

The foregoing limitations do not limit, and shall not apply to:

(1) the payment of reasonable and customary regular fees and other compensation for the service as board members to directors of the Parent Guarantor or any Restricted Subsidiary;

(2) transactions between or among the Parent Guarantor and any of its Wholly Owned Restricted Subsidiaries (or an entity that becomes a Wholly Owned Restricted Subsidiary as a result of such transaction), or between or among Wholly Owned Restricted Subsidiaries;

(3) transactions between or among the Parent Guarantor and the Issuer;

(4) any Restricted Payment of the type described in clauses (1) or (2) of the first paragraph of the covenant described above under the caption "— *Limitation on Restricted Payments*" if permitted by that covenant;

(5) any sale of Capital Stock (other than Disqualified Stock) of the Parent Guarantor; and

(6) the payment of compensation to officers and directors of the Parent Guarantor or any Restricted Subsidiary pursuant to an employment agreement and/or employee stock or share option scheme approved by the Board of Directors, in each case, in the ordinary course of business.

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to (i) transactions pursuant to agreements in effect on the Original Issue Date and described in this Offering Memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Parent

Guarantor and its Restricted Subsidiaries than the original agreement in effect on the Original Issue Date and (ii) any transaction between or among any of the Parent Guarantor, any Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary; *provided* that in the case of clause (ii) (a) such transaction is entered into in the ordinary course of business and (b) in the case of a transaction with a Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, none of the minority shareholders or minority partners of or in such Restricted Subsidiary is a Person described in clause (x) or (y) of the first paragraph of this covenant (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary or being a Subsidiary of the Parent Guarantor).

Limitation on Liens

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are equally and ratably secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided* that the Parent Guarantor may enter into a Sale and Leaseback Transaction if:

(1) the Parent Guarantor could have (a) Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the covenant described above under the caption "— *Limitation on Indebtedness*" and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under the caption "— *Limitation on Liens*," in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;

(2) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and

(3) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Parent Guarantor applies the proceeds of such transaction in compliance with, the covenant described below under the caption "— *Limitation on Asset Sales*."

Limitation on Asset Sales

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

(1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;

(2) the consideration received by the Parent Guarantor or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of;

(3) in the case of an Asset Sale that constitutes an Asset Disposition, the Parent Guarantor could Incur at least US$1.00 of Indebtedness under provisos (w) and (x) (excluding, for purposes of this covenant, proviso (y)) in the first paragraph of part (1) of the covenant under the caption "— *Limitation on Indebtedness*" after giving pro forma effect to such Asset Disposition; and

(4) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided* that in the case of an Asset Sale in which the Parent Guarantor or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), the Parent Guarantor shall deliver to the Trustee an opinion as to the fairness to the Parent Guarantor or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized standing. For purposes of this clause (4), each of the following will be deemed to be cash:

  (a) any liabilities, as shown on the Parent Guarantor's most recent consolidated balance sheet, of the Parent Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or the Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Parent Guarantor or such Restricted Subsidiary, as the case may be, from further liability; and

  (b) any securities, notes or other obligations received by the Parent Guarantor or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Parent Guarantor or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion;

Within 365 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Parent Guarantor (or any Restricted Subsidiary) may apply such Net Cash Proceeds to:

(1) permanently repay Senior Indebtedness of the Parent Guarantor or the Issuer or any Indebtedness of a Restricted Subsidiary (other than the Issuer) (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Parent Guarantor or a Restricted Subsidiary;

(2) acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or in properties or assets (other than current assets) that will be used in a Permitted Business (including Capital Stock of any Person holding such properties and assets, which is primarily engaged in a Permitted Business and will upon the acquisition by the Parent Guarantor or any of its Restricted Subsidiaries of such Capital Stock, become a Restricted Subsidiary) ("**Replacement Assets**"); or

(3) consummate a combination of the foregoing.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clauses (1) and (2) in the immediately preceding paragraph will constitute "**Excess Proceeds**." Excess Proceeds of less than US$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceed US$10.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Issuer must make an Offer to Purchase Notes having a principal amount equal to:

(1) accumulated Excess Proceeds, multiplied by

(2) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the related Asset Sale,

rounded down to the nearest US$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount of the Notes plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Issuer may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Notes (and such other *pari passu* Indebtedness) to be purchased will be selected on a *pro rata* basis by lot or such other method the Trustee determines as reasonable in its sole and absolute discretion. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on the Parent Guarantor's Business Activities

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; *provided*, *however*, that the Parent Guarantor or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant described under the caption "*— Limitation on Restricted Payments*."

The Issuer will at all times remain a directly Wholly Owned Restricted Subsidiary of the Parent Guarantor.

Use of Proceeds

The Issuer and the Parent Guarantor will not, and will not permit any Restricted Subsidiary to, use the proceeds from the sale of the Notes, in any amount, for any purpose other than (1) as specified under the caption titled "*Use of Proceeds*" in this Offering Memorandum and (2) pending the application of all of such proceeds in such manner, to invest the portion of such proceeds not yet so applied in Temporary Cash Investments outside India.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that (1) the Issuer shall always be a Restricted Subsidiary; (2) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (3) neither the Parent Guarantor nor any Restricted Subsidiary provides credit support (other than any Guarantee in compliance with clause (7) below) for the Indebtedness of such Restricted Subsidiary; (4) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Parent Guarantor or any Restricted Subsidiary; (5) such Restricted Subsidiary does not own any Disqualified Stock of the Parent Guarantor or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Parent Guarantor or any Restricted Subsidiary, if such Disqualified or Preferred Stock or Indebtedness could not be Incurred under the covenant described under the caption "*— Limitation on Indebtedness*" or such Lien would violate the covenant described under the caption "*— Limitation on Liens*;" (6) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this covenant; and (7) the Investment deemed to have been made thereby in such newly-designated Unrestricted Subsidiary and each other newly-designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under the caption "*— Limitation on Restricted Payments*".

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "— *Limitation on Indebtedness*;" (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by the covenant described under the caption "— *Limitation on Liens*;" and (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary.

Government Approvals and Licenses; Compliance with Law

The Parent Guarantor will, and will cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Business; (2) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Permitted Liens; and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply with would not reasonably be expected to have a material adverse effect on (a) the business, results of operations or prospects of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole, or (b) the ability of the Issuer or the Parent Guarantor to perform its obligations under the Notes, the Note Guarantee or the Indenture.

Anti-Layering

The Issuer will not Incur and the Parent Guarantor will not Incur any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Issuer or the Parent Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the Note Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantees securing or in favor of some but not all of such Indebtedness.

Suspension of Certain Covenants

If, on any date following the date of the Indenture, the Notes have a rating of Investment Grade from at least two of the three Rating Agencies and no Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from at least two of the three Rating Agencies, the provisions of the Indenture described under the following captions will be suspended:

(1) "— *Certain Covenants — Limitation on Indebtedness*;"

(2) "— *Certain Covenants — Limitation on Restricted Payments*;"

(3) "— *Certain Covenants — Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*;"

(4) "— *Certain Covenants — Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries*;"

(5) "— *Certain Covenants — Limitation on Issuances of Guarantees by Restricted Subsidiaries*;"

(6) "— *Certain Covenants — Limitation on the Parent Guarantor's Business Activities*;"

(7) "— *Certain Covenants — Limitation on Sale and Leaseback Transactions*;" and

(8) "*— Certain Covenants — Limitation on Asset Sales*."

During any period when the foregoing covenants have been suspended, the Board of Directors may not designate any Restricted Subsidiary as an Unrestricted Subsidiary pursuant to the covenant described under the caption "*— Designation of Restricted and Unrestricted Subsidiaries*."

Such covenants will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Parent Guarantor or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Event, and following reinstatement the calculations under the covenant described under the caption "*— Limitation on Restricted Payments*" will be made as if such covenant had been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended and all Indebtedness incurred, or Disqualified Stock issued, while the foregoing covenants are suspended will be classified to have been Incurred or issued pursuant to clause (b) of the second paragraph of the covenant summarized under "— Certain Covenants — Limitation on Indebtedness." Upon the suspension of covenants pursuant to this covenant, the amount of Excess Proceeds shall be rest at the amount in effect at the beginning of the period such covenants are suspended.

There can be no assurance that the Notes will ever achieve a rating of Investment Grade or that any such rating will be maintained.

Provision of Financial Statements and Reports

For so long as any Notes are outstanding, the Parent Guarantor will provide to the Trustee and furnish to the Holders the following financial statements and reports, in the English language:

(1) as soon as they are available, but in any event within 120 days after the end of the Parent Guarantor's fiscal year beginning with the first fiscal year ending after the Original Issue Date, the following information, in each case, audited by an internationally recognized independent accounting firm (including, for the avoidance of doubt, the Parent Guarantor's independent auditors as of the Original Issue Date as disclosed in the Offering Memorandum), together with an audit report thereon: (a) consolidated balance sheets of the Parent Guarantor as of the end of the two most recent fiscal years and consolidated income statements and statements of cash flow of the Parent Guarantor for the two most recent fiscal years, including complete footnotes to such financial statements; (b) income statement and balance sheet for the Parent Guarantor on an unconsolidated basis for the two most recent fiscal year; and (c) income statements and calculations of Consolidated EBITDA (and related definitions) for the two most recent fiscal years, in each case, for the Parent Guarantor on a consolidated basis;

(2) as soon as they are available, but in any event within 60 days following the end of the first half fiscal year of the Parent Guarantor, the following information, in each case, reviewed by an internationally recognized independent accounting firm, together with their review report thereon: (a) an unaudited condensed consolidated balance sheet as of the end of such semi-annual period and unaudited condensed consolidated statements of income and cash flow for the most recent semi-annual period ending on the unaudited condensed consolidated balance sheet date, and the comparable prior year period; (b) a balance sheet and statements of income and cash flow on an unconsolidated basis for the most recent semi-annual period, and the comparable prior year period; and (c) an income statement and a calculation of Consolidated EBITDA (and related definitions) for the most recent semi-annual period ending on the unaudited condensed consolidated balance sheet date, and the comparable prior year period, in each case, for the Parent Guarantor on a consolidated basis;

(3) as soon as they are available, but in any event within 60 days following the end of the first and third fiscal quarters in each fiscal year of the Parent Guarantor, the following information, in each case, reviewed by an internationally recognized independent accounting firm, together with their review report thereon: the consolidated and unconsolidated financial statements of the Parent Guarantor that it filed with the Bombay Stock Exchange Limited ("**BSE**") and/or National Stock Exchange of India Limited ("**NSE**") (or, in the event that Parent Guarantor's Capital Stock is no longer listed on any such exchange, the consolidated and unconsolidated financial statements of the Parent Guarantor that it would be required to provide if such listing was continuing);

(4) promptly after the occurrence of (i) any material acquisition, disposition or restructuring, (ii) any Senior Management changes at the Parent Guarantor or change in auditors of the Parent Guarantor or (iii) any other material event not in the ordinary course of business that the Parent Guarantor announces publicly, a report containing a description of such event and, in the event of the occurrence of any material acquisition or disposition, any financial or other information provided to its shareholders under its obligations as a company listed on the BSE or NSE or filed with such exchange (or, in the event that Parent Guarantor's Capital Stock is no longer listed on any such exchange, the financial or other information that the Parent Guarantor would provide to its shareholders or file if such listing was continuing); and

(5) as soon as they are available, but in any event not more than 15 days after they are publicly filed with the relevant exchange(s) on which the Parent Guarantor's common shares are at any time listed for trading, true and correct copies of any financial or other report filed with such exchange.

In addition, so long as any Note remains outstanding, the Parent Guarantor will provide to the Trustee (a) within 120 days after the close of each fiscal year ending after the Original Issue Date, an Officers' Certificate stating the Fixed Charge Coverage Ratio and the Long-term Priority Debt to Total Assets Ratio with respect to the most recent fiscal year and showing, in reasonable detail, the calculation of such ratios, including the arithmetic computations of each component of such ratios, with a certificate from the Parent Guarantor's external auditors or chartered accountants verifying the accuracy and correctness of the calculation and arithmetic computation; and (b) as soon as possible and in any event within 15 days after the Parent Guarantor becomes aware or should reasonably become aware of the occurrence of a Default or Event of Default, an Officers' Certificate setting forth the details of the Default or Event of Default, as the case may be, and the action which the Parent Guarantor proposes to take with respect thereto. So far as permitted by applicable law, rule or other regulation, the Parent Guarantor will at all times provide to the Trustee such information as it shall reasonably request for the sole purpose of the discharge of the duties, powers, authorities and directions vested in it by the Indenture.

All financial statements and pro forma financial information will be prepared in accordance with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable GAAP, present earlier periods on a basis that applied to such periods.

At any time that any of the Parent Guarantor's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Parent Guarantor, then the annual and semi-annual financial information required by the first two clauses of this covenant will include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Parent Guarantor and its Restricted Subsidiaries separate from the financial condition and results of operations of the

Unrestricted Subsidiaries of the Parent Guarantor or (ii) stand-alone audited or unaudited reviewed financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Parent Guarantor and its Subsidiaries.

Currency Indemnity

The U.S. dollar is the sole currency of account and payment for all sums payable by the Issuer and the Parent Guarantor under the Notes and the Note Guarantee (the "**Contractual Currency**"). Any amount received or recovered in a currency other than the Contractual Currency in respect of the Notes or the Note Guarantee (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up, liquidation or dissolution of the Parent Guarantor, any Subsidiary or otherwise) by the Holder in respect of any sum expressed to be due to it from the Issuer or the Parent Guarantor will constitute a discharge of the Issuer or the Parent Guarantor, as the case may be, only to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that purchased amount is less than the Contractual Currency amount expressed to be due to the recipient under any Note, the Issuer and the Parent Guarantor will indemnify the recipient against any loss sustained by it as a result. For the purposes of this indemnity, it will be sufficient for the Holder or the Trustee to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of Contractual Currency been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of Contractual Currency on such date had not been possible, on the first date on which it would have been possible).

Each of the above indemnities will, to the extent permitted by law:

- constitute a separate and independent obligation from the other obligations of the Issuer or the Parent Guarantor;
- give rise to a separate and independent cause of action;
- apply irrespective of any waiver granted by any Holder; and
- continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Events of Default

Each of the following events will be defined as an "**Event of Default**" in the Indenture:

(1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;

(3) default in the performance or breach of the provisions of the covenants described under the caption "*— Consolidation, Merger and Sale of Assets*" or the failure by the Issuer or the Parent Guarantor, as applicable, to make or consummate an Offer to Purchase in the manner described under the captions "*— Repurchase of Notes upon a Change of Control*" or "*— Certain Covenants — Limitation on Asset Sales*;"

(4) the Parent Guarantor or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default or failure specified in clauses (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;

(5) there occurs with respect to any Indebtedness of the Parent Guarantor or any Restricted Subsidiary having an outstanding principal amount of US$15.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (b) a failure to pay principle (subject to the applicable grace period on the relevant documents) on, such Indebtedness when the same becomes due and payable;

(6) one or more final judgments or orders for the payment of money are rendered against the Parent Guarantor or any Restricted Subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US$15.0 million (or the Dollar Equivalent thereof) (in excess of amounts which the Parent Guarantor's insurance carriers have agreed in writing to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(7) an involuntary case or other proceeding is commenced against the Parent Guarantor or any Restricted Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Parent Guarantor or any Restricted Subsidiary or for any substantial part of the property and assets of the Parent Guarantor or any Restricted Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Parent Guarantor or any Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

(8) the Parent Guarantor or any Restricted Subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Parent Guarantor or any Restricted Subsidiary or for all or substantially all of the property and assets of the Parent Guarantor or any Restricted Subsidiary or (c) effects any general assignment for the benefit of creditors (other than, in each case under (b), any of the foregoing that arises from any solvent liquidation or restructuring of any of the Parent Guarantor's Subsidiaries in the ordinary course of business that shall result in the net assets of such Subsidiary being transferred to or otherwise vested in the Parent Guarantor or any Restricted Subsidiary on a *pro rata* basis or on a basis more favorable to the Parent Guarantor);

(9) the Parent Guarantor denies or disaffirms its obligations under the Note Guarantee or, except as permitted by the Indenture, the Note Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect;

(10) a moratorium is agreed or declared in respect of any Indebtedness of the Issuer or the Parent Guarantor or any governmental authority shall take any action to condemn, seize, nationalize or appropriate all or a substantial part of the assets of the Issuer or the Parent Guarantor; or

(11) the capital and/or currency exchange controls in place in India on the Original Issue Date shall be modified or amended in a manner that prevents or will prevent the Issuer or the Parent Guarantor from performing its payment obligations under the Indenture, the Notes or the Note Guarantee.

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Issuer (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders shall, subject to receiving indemnity and/or security (including by way of pre-funding) to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs with respect to the Parent Guarantor or any of its Subsidiaries, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Issuer and to the Trustee may on behalf of the all Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and

(2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture that may involve the Trustee in personal liability, or that is unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action that is not inconsistent with any such direction received from Holders. The Trustee shall not be required to expend its funds in following such direction if it does not reasonably believe that reimbursement or indemnity and/or security (including by way of pre-funding) is assured to it.

A Holder of Notes may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee indemnity and/or security (including by way of prefunding) satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such written request;

(4) the Trustee does not comply with the request within 60 days after receipt of the written request and the offer of indemnity and/or security (including by way of prefunding) to its satisfaction; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with the written request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest on, such Note or any payment under the Note Guarantee, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

Two Officers of the Parent Guarantor must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year ending after the Original Issue Date, that a review has been conducted of the activities of the Parent Guarantor and the Restricted Subsidiaries and the Issuer's and the Parent Guarantor's performance under the Indenture and that the Issuer and the Parent Guarantor have fulfilled all of their respective obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Parent Guarantor will also be obligated to notify the Trustee in writing of any Default or Defaults in the performance of any covenants or agreements under the Indenture. See "*— Certain Covenants — Provision of Financial Statements and Reports*."

Consolidation, Merger and Sale of Assets

The Issuer will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Issuer (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless each of the following conditions is satisfied:

(1) the Issuer shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Issuer consolidated or merged, or that acquired or leased such property and assets (the "**Surviving Person**") shall be a corporation organized and validly existing under the laws of India, the United Kingdom, any member state of the European Union, Hong Kong, Singapore, Mauritius, Israel, Switzerland, Canada, Australia, any state of the United States or the District of Columbia and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Indenture and the Notes, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and the Indenture and the Notes, as the case may be, shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a *pro forma* basis, the Parent Guarantor or the Surviving Person, as the case may be, shall have a Consolidated Net Worth at least equal to or greater than the Consolidated Net Worth of the Parent Guarantor immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a *pro forma* basis the Parent Guarantor or the Surviving Person, as the case may be, could Incur at least US$1.00 of Indebtedness under provisos (w) and (x) (excluding, for purposes of this covenant, proviso (y)) in the first paragraph of the covenant described under the caption "*— Certain Covenants — Limitation on Indebtedness*;"

(5) the Issuer delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with;

(6) the Issuer and the Parent Guarantor, unless the Parent Guarantor is the Person with which the Issuer has entered into a transaction described in this covenant, shall execute and deliver a supplemental indenture to the Indenture confirming that the Note Guarantee of the Parent Guarantor shall apply to the obligations of the Issuer in accordance with the Notes and the Indenture; and

(7) no Rating Decline shall have occurred in connection with the foregoing.

The Parent Guarantor will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' or Subsidiaries', as the case may be, properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Issuer), unless:

(1) the Parent Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Parent Guarantor consolidated or merged, or that acquired or leased such property and assets shall be the Issuer; and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Parent Guarantor under the Indenture, the Note Guarantee and the Notes, as the case may be, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and the Indenture, the Notes and the Note Guarantee, as the case may be, shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a *pro forma* basis, the Parent Guarantor shall have a Consolidated Net Worth at least equal to or greater than the Consolidated Net Worth of the Parent Guarantor immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a *pro forma* basis, the Parent Guarantor could Incur at least US$1.00 of Indebtedness under provisos (w) and (x) (excluding, for purposes of this covenant, proviso (y)) in the first paragraph of the covenant described under the caption "— *Certain Covenants — Limitation on Indebtedness*;"

(5) the Issuer delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(6) no Rating Decline shall have occurred in connection with the foregoing;

provided that this paragraph shall not apply to any sale or other disposition that complies with the covenant described under the caption "*— Certain Covenants — Limitation on Asset Sales*."

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing requirements shall not apply to a consolidation or merger of the Issuer and the Parent Guarantor, so long as the Issuer or the Parent Guarantor survives such consolidation or merger. The foregoing provisions would not necessarily afford Holders protection in the event of highly-leveraged or other transactions involving the Parent Guarantor that may adversely affect Holders.

No Payments for Consents

The Issuer will not and the Parent Guarantor will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the Notes or the Note Guarantee unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Issuer will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies, to pay Additional Amounts and to hold monies for payment in trust) if, among other things:

(1) the Issuer (a) has deposited with the Trustee (or its agent), in trust, cash in U.S. dollars and/or U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally recognized independent accounting to the effect that the amount deposited by the Issuer is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity of such payment in accordance with the terms of the Indenture;

(2) the Issuer has delivered to the Trustee an Opinion of Counsel of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law;

(3) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by it with the intent of preferring the Holders over any other of its creditors or with the intent of defeating, hindering, delaying or defrauding any other of its creditors or others; and

(4) immediately after giving effect to such deposit on a *pro forma* basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Parent Guarantor or any of the Restricted Subsidiaries is a party or by which the Parent Guarantor or any of the Restricted Subsidiaries is bound.

In the case of either discharge or defeasance of the Notes and the Note Guarantee will terminate.

Defeasance of Certain Covenants

The Indenture will further provide that (i) the provisions of the Indenture will no longer be in effect with respect to clauses (3), (4), (5)(x) and (7) under the first paragraph, and clauses (3), (4), (5)(x) and (6) under the second paragraph of the covenant described under the caption "— *Consolidation, Merger and Sale of Assets*" and all the covenants described under the caption "— *Certain Covenants*," other than as described under the captions "— *Certain Covenants — Government Approvals and Licenses; Compliance with Law*" and "— *Certain Covenants — Anti-Layering*," and (ii) clause (3) under the caption "— *Events of Default*" with respect to clauses (3), (4), (5)(x) and (7) under the first paragraph, and clauses (3), (4), (5)(x) and (6) under the second paragraph of the covenant described under the caption "— *Consolidation, Merger and Sale of Assets*" and with respect to the other events set forth in clause (i) above, clause (4) under the caption "— *Events of Default*" with respect to such other covenants in clause (i) above and clauses (5) and (6) under the caption "— *Events of Default*" shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee, or its agent, in trust, of cash in U.S. dollars and/or U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, the satisfaction of the provisions described in clause (2) of the preceding paragraph.

Defeasance and Certain Other Events of Default

In the event that the Issuer exercises its option to omit compliance with certain covenants and provisions of the Indenture as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of cash in U.S. dollars and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Issuer and the Parent Guarantor will remain liable for such payments.

Amendments and Waivers

Amendments without Consent of Holders

The Indenture, the Notes and the Note Guarantee may be amended, without the consent of any Holder:

(1) to cure any ambiguity, defect, omission or inconsistency in the Indenture or the Notes;

(2) to comply with the provisions described under the caption "— *Consolidation, Merger and Sale of Assets*;"

(3) to evidence and provide for the acceptance of appointment by a successor Trustee (including any of the Agents);

(4) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(5) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;

(6) to effect any changes to the Indenture in a manner necessary to comply with the procedures of Euroclear or Clearstream or any applicable securities depositary or clearing system;

(7) to make any other change that does not materially and adversely affect the rights of any Holder; or

(8) to conform the text of the Indenture, the Notes or the Note Guarantee to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a verbatim recitation of a provision in the Indenture, the Notes or the Note Guarantee.

Amendments with Consent of Holders

The Indenture, the Notes and the Note Guarantee may be amended with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the Holders of a majority in aggregate principal amount of the outstanding Notes may amend or waive future compliance by the Issuer and the Parent Guarantor with any provision thereof; *provided*, *however*, that no such modification, amendment or waiver may, without the consent of each Holder affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(2) reduce the principal amount of, or premium, if any, or interest on, any Note;

(3) change the currency or time of payment of principal of, or premium, if any, or interest on, any Note;

(4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or the Note Guarantee;

(5) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;

(6) waive a default in the payment of principal of, premium, if any, or interest on the Notes;

(7) release the Parent Guarantor from the Note Guarantee, except as provided in the Indenture;

(8) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;

(9) amend, change or modify the Note Guarantee in a manner that adversely affects the Holders;

(10) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise, unless such amendment, waiver or modification shall be in effect prior to the occurrence of a Change of Control or the event giving rise to the repurchase of the Notes under the caption "*— Certain Covenants — Limitation on Asset Sales*;"

(11) change the redemption date or the redemption price of the Notes from that stated under the caption "*— Optional Redemption*" or "*— Redemption for Taxation Reasons*;"

(12) amend, change or modify the obligation of the Issuer or the Parent Guarantor to pay Additional Amounts; or

(13) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes or the Note Guarantee in a manner which adversely affects the Holders.

Unclaimed Money

Claims against the Issuer or the Parent Guarantor for the payment of principal of, premium, if any, or interest on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Issuer, the Parent Guarantor in the Indenture, or in any of the Notes or the Note Guarantee, or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Issuer, the Parent Guarantor or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Note Guarantee. Such waiver may not be effective to waive liabilities under U.S. federal or other applicable securities laws.

Concerning the Trustee and the Agents

The Bank of New York Mellon, London Branch has been appointed as Trustee under the Indenture and as paying agent (the "**Paying Agent**"). The Bank of New York Mellon

(Luxembourg) S.A. has been appointed as transfer agent (the "**Transfer Agent**") and as note registrar (the "**Registrar**" and, together with the Paying Agent and the Transfer Agent, the "**Agents**") with regard to the Notes. Except during the continuance of a Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenant or obligation shall be read into the Indenture against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Issuer or the Parent Guarantor to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions, including normal banking and trustee relationships, with the Parent Guarantor and its Affiliates; *provided*, *however*, that if it acquires any conflicting interest, it must eliminate such conflict or resign.

The Trustee will not be under any obligation to exercise any rights or powers conferred under the Indenture for the benefit of the Holders, unless such Holders have offered to the Trustee indemnity and/or security (including by way of pre-funding) satisfactory to the Trustee against any loss, liability or expense.

If the Issuer maintains a paying agent with respect to the Notes in a member state of the European Union, such paying agent will be located in a member state of the European Union that is not obligated to withhold or deduct tax pursuant to the EU Savings Directive or any other European Council Directive implementing, amending or supplementing the EU Savings Directive, or any law implementing or complying with, or introduced in order to conform to, such EU Directives.

Book-Entry; Delivery and Form

The Notes will be represented by one or more global notes in registered form without interest coupons attached (the "**Initial Global Notes**"). On the Original Issue Date, the Initial Global Notes will be deposited with a common depositary and registered in the name of the common depositary or its nominee for the accounts of Euroclear and Clearstream. Any additional Notes will be represented by additional global notes in registered form without interest coupons attached (the "**Additional Global Notes**" and, together with the Initial Global Notes, the "**Global Notes**").

Global Notes

Ownership of beneficial interests in the Global Notes (the "book-entry interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Except as set forth below under the caption "— *Individual Definitive Notes*," the book-entry interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

So long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Notes for all purposes under the Indenture and "holders" of book-entry interests will not be considered the owners or "Holders" of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own book-entry interests in order to transfer their interests in the Notes or to exercise any rights of Holders under the Indenture.

None of the Issuer, the Parent Guarantor, the Trustee or any of the Agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests. The Notes are not issuable in bearer form.

Payments on the Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and Additional Amounts) will be made to the Paying Agent in U.S. dollars. The Paying Agent will, in turn, make such payments to the common depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. Each of the Issuer and the Parent Guarantor will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and additional amounts may be paid as described under the caption "— *Additional Amounts*."

Under the terms of the Indenture, the Issuer, the Parent Guarantor and the Trustee will treat the registered holder of the Global Notes (i.e., the common depositary or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Parent Guarantor, the Trustee or any of the Agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest; or

- Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of book-entry interests held through participants are the responsibility of such participants.

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, the common depositary will distribute the amount received by it in respect of the Global Note so redeemed to Euroclear and/or Clearstream, as applicable, who will distribute such amount to the holders of the book-entry interests in such Global Note. The redemption price payable in connection with the redemption of such book-entry interests will be equal to the amount received by the common depositary, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided, however,* that no book-entry interest of US$200,000 principal amount, or less, as the case may be, will be redeemed in part.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised that they will take any action permitted to be taken by a Holder of Notes only at the direction of one or more participants to whose account the book-entry interests in a Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note. If there is an Event of Default under the Notes, however, each of Euroclear and Clearstream reserves the right to exchange the Global Note for individual definitive notes in certificated form, and to distribute such individual definitive notes to their participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a Holder requires physical delivery of individual definitive notes for any reason, including to sell the Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such Holder must transfer its interest in the Global Note in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

Book-entry interests in the Global Notes will be subject to the restrictions on transfer discussed under the caption "— *Transfer Restrictions*."

Any book-entry interest in a Global Note that is transferred to a person who takes delivery in the form of a book-entry interest in another Global Note (if applicable) will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Note and become a book-entry interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other Global Note for as long as it retains such a book-entry interest.

Global Clearance and Settlement Under the Book-Entry System

Book-entry interests owned through Euroclear or Clearstream accounts will follow the applicable settlement procedures. Book-entry interests will be credited to the securities custody accounts of Euroclear and Clearstream participants on the business day following the settlement date against payment for value on the settlement date.

The book-entry interests will trade through participants of Euroclear or Clearstream, and will settle in same-day funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any book-entry interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Information Concerning Euroclear and Clearstream

The Issuer understands as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks and trust companies, and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Issuer, the Parent Guarantor, the Trustee or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Individual Definitive Notes

If (1) the common depositary or any successor to the common depositary is at any time unwilling or unable to continue as a depositary for the reasons described in the Indenture and a successor depositary is not appointed by the Issuer within 90 days, (2) either Euroclear or Clearstream, or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (3) any of the Notes has become immediately due and payable in accordance with "— *Events of Default*" and the Issuer has received a written request from a Holder, the Issuer will issue individual definitive notes in registered form in exchange for the Global Note. Upon receipt of such notice from the common depositary, Euroclear, Clearstream or the Trustee, as the case may be, the Issuer will use its best efforts to make arrangements with the common depositary for the exchange of interests in the Global Notes for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the registrar in sufficient quantities and authenticated by the Registrar for delivery to Holders. Persons exchanging interests in a Global Note for individual definitive notes will be required to provide the Registrar, through the relevant clearing system, with written instruction and other information required by the Issuer and the Registrar to complete, execute and deliver such individual definitive notes. In all cases, individual definitive notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the relevant clearing system.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear or Clearstream.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and in English and may be given or served by being sent by prepaid courier or first-class mail (if intended for the Issuer or the Parent Guarantor) addressed to the Issuer at Haaksbergweg 71, 1101 BR Amsterdam, the Netherlands, Fax: +31-20-312-1210, Attention: Director or the Parent Guarantor at Jain Plastic Park, N.H. No. 6, Bambhori, Jalgaon 425001, India, Fax: +91-257-225-8111, Attention: Company Secretary, (if intended for the Trustee) at the corporate trust office of the Trustee; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register.

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of Euroclear or Clearstream, as the case may be. Any such notice shall be deemed to have been delivered on the day such notice is delivered to Euroclear or Clearstream, as the case may be, or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes, the Issuer and the Parent Guarantor will in the Indenture irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, the City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, the Note Guarantee and the Indenture; and (2) designate and appoint Jain America Holdings Inc for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes, the Note Guarantee and the Indenture will be governed by, and construed in accordance with, the laws of the State of New York.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture.

"**Acquired Indebtedness**" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

"**Adjusted Treasury Rate**" means, with respect to any redemption date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "*Treasury Constant Maturities*", for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after , 2020, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date.

"**Affiliate**" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (1) or (2). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Applicable Premium**" means with respect to any Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of (x) the redemption price of such Note on , 2020 (such redemption price being set forth in the table appearing above under the caption "— *Optional Redemption*"), plus (y) all required remaining scheduled interest payments due on such Note through , 2020 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Note on such redemption date.

"**Asset Acquisition**" means (1) an investment by the Parent Guarantor or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Parent Guarantor or any of its Restricted Subsidiaries; or (2) an acquisition by the Parent Guarantor or any of its Restricted Subsidiaries of the property and assets of any Person other than the Parent Guarantor or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

"**Asset Disposition**" means the sale or other disposition by the Parent Guarantor or any of its Restricted Subsidiaries (other than to the Parent Guarantor or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary; or (2) all or substantially all of the assets that constitute a division or line of business of the Parent Guarantor or any of its Restricted Subsidiaries.

"**Asset Sale**" means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale of Capital Stock of a Subsidiary or issuance of Capital Stock by a Restricted Subsidiary) in one transaction or a series of related transactions by the Parent Guarantor or any of its Restricted Subsidiaries to any Person; *provided* that "Asset Sale" shall not include:

(1) sales or other dispositions of inventory, receivables and other current assets (including properties under development for sale and completed properties for sale) in the ordinary course of business;

(2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the covenant described under caption "*— Certain Covenants — Limitation on Restricted Payments*;"

(3) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US$2.5 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;

(4) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete, retired, surplus or otherwise unsuitable or no longer useful in connection with the business of the Parent Guarantor or its Restricted Subsidiaries;

(5) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;

(6) a transaction covered by the covenant described under the caption "*— Consolidation, Merger and Sale of Assets*;" and

(7) any sale, transfer or other disposition by the Parent Guarantor or any of its Restricted Subsidiaries, including the sale or issuance by the Parent Guarantor or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Parent Guarantor or any Restricted Subsidiary.

"**Attributable Indebtedness**" means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

"**Average Life**" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"**Board of Directors**" means the board of directors elected or appointed by the stockholders of the Parent Guarantor pursuant to applicable law to manage the business of the Parent Guarantor or any committee of such board duly authorized to take the action purported to be taken by such committee.

"**Board Resolution**" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

"**Business Day**" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the City of New York, Singapore, London, Mumbai or the Netherlands (or in the place of business of the Paying Agent or any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

"**Capitalized Lease**" means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

"**Capitalized Lease Obligations**" means the discounted present value of the rental obligations under a Capitalized Lease.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity (other than Equity-treated Compulsory Convertible Debt).

"**Change of Control**" means the occurrence of one or more of the following events:

(1) (A) the merger, amalgamation or consolidation of the Parent Guarantor with or into another Person (other than one or more Permitted Holders) or the merger or amalgamation of another Person (other than one or more Permitted Holders) with or into the Parent Guarantor, other than any such transaction where holders of a majority of the Voting Stock of the Company, immediately prior to such transaction, hold securities of the surviving or transferee Person, immediately after such transaction, that represent at least a majority of the Voting Stock of such surviving or transferee Person and in substantially the same proportion as before such transaction, or (B) the sale of all or substantially all the assets of the Parent Guarantor to another Person (other than one or more Permitted Holders);

(2) the Permitted Holders are the beneficial owners of 25.0% or less of the total voting power of the Voting Stock of the Parent Guarantor;

(3) (A) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Parent Guarantor greater than such total voting power held beneficially by the Permitted Holders and (B) the Permitted Holders cease to possess, directly or indirectly, the power to direct or cause the direction of the management, the Board of Directors and/or the policies of the Parent Guarantor, whether through the ownership of Voting Stock, by contract or otherwise;

(4) individuals who on the Original Issue Date constituted the board of directors of the Parent Guarantor, together with any new directors whose election by the board of directors was approved by a vote of at least a majority of the directors then still in office who were either directors or whose election was previously so approved, cease for any reason to constitute a majority of the board of directors of the Parent Guarantor then in office; or

(5) the adoption of a plan relating to the liquidation or dissolution of the Parent Guarantor.

"**Clearstream**" means Clearstream Banking S.A.

"**Commodity Hedging Agreement**" means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

"**Common Stock**" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and include, without limitation, all series and classes of such common stock or ordinary shares.

"**Comparable Treasury Issue**" means the U.S. Treasury security having a maturity comparable to , 2020 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to , 2020.

"**Comparable Treasury Price**" means, with respect to any redemption date, if clause (ii) of the Adjusted Treasury Rate is applicable, the average of three (or such lesser number as is obtained by the Parent Guarantor) Reference Treasury Dealer Quotations for such redemption date.

"**Consolidated EBITDA**" means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense, including for the avoidance of doubt, capitalized interest;

(2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets); and

(3) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses to be paid in another future period), less all non-cash items increasing Consolidated Net Income,

all as determined on a consolidated basis for the Parent Guarantor and its Restricted Subsidiaries in conformity with GAAP; *provided* that (1) if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Parent Guarantor or any of its Restricted Subsidiaries and (2) notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of the Parent Guarantor will be added to Consolidated Net Income to compute Consolidated EBITDA of such person only to the extent that a corresponding amount would not be prohibited at the date of determination to be dividended to such person by such Restricted Subsidiary under the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders.

"**Consolidated Fixed Charges**" means, for any period, the sum (without duplication) of (1) Consolidated Interest Expense for such period and (2) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Parent Guarantor or any Restricted Subsidiary held by Persons other than the Parent Guarantor or any Wholly Owned Restricted Subsidiary, except for dividends payable in the Parent Guarantor's Capital Stock (other than Disqualified Stock) or paid to the Parent Guarantor or to a Wholly Owned Restricted Subsidiary.

"**Consolidated Interest Expense**" means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Parent Guarantor and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Parent Guarantor and its Restricted Subsidiaries, without duplication, (1) interest expense attributable to Capitalized Lease Obligations, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations (including the amortization of fees), (6) interest accruing on Indebtedness of any other Person that is Guaranteed by, or secured by a Lien on any asset of, the Parent Guarantor or any Restricted Subsidiary, *provided* that, in the case of Indebtedness secured by a Lien on assets, the amount of accrued interest of such Indebtedness will be the lesser of (a) the book value of such assets at such date of determination, and (b) the actual amount of such accrued interest, and (7) any capitalized interest.

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

(1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that:

(a) subject to the exclusion contained in clause (5) below, the Parent Guarantor's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Parent Guarantor or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and

(b) the Parent Guarantor's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent funded with cash or other assets of the Parent Guarantor or Restricted Subsidiaries;

(2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Parent Guarantor or any of its Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Parent Guarantor or any of its Restricted Subsidiaries;

(3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(4) the cumulative effect of a change in accounting principles;

(5) any net after tax gains realized on the sale or other disposition of (a) any property or assets of the Parent Guarantor or any Restricted Subsidiary or (b) any Capital Stock of any Person (including any gains by the Parent Guarantor realized on sales of Capital Stock of the Parent Guarantor or other Restricted Subsidiaries), in each case, which is not sold in the ordinary course of its business;

(6) any translation gains and losses due solely to fluctuations in currency values and related tax effects;

(7) any net after-tax extraordinary or non-recurring gains; and

(8) non-cash expenses attributable to movements in the mark-to-market valuation of Hedging Obligations.

"**Consolidated Net Worth**" means, at any date of determination, stockholders' equity as set forth on the most recently available semi-annual or annual consolidated balance sheet of the Parent Guarantor and its Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Parent Guarantor, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Parent Guarantor or any of its Restricted Subsidiaries, each item to be determined in conformity with GAAP.

"**Currency Agreement**" means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement which may consist of one or more of the foregoing agreements or arrangements, designed to protect against fluctuations in foreign exchange rates.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Disqualified Stock**" means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is 183 days after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the date that is 183 days after the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the date that is 183 days after the Stated

Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the date that is 183 days after the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the "*— Certain Covenants — Limitation on Asset Sales*" and "*— Repurchase of Notes upon a Change of Control*" covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer's or the Parent Guarantor's repurchase of such Notes as are required to be repurchased pursuant to the "*— Certain Covenants — Limitation on Asset Sales*" and "*— Repurchase of Notes upon a Change of Control*" covenants.

"**Dollar Equivalent**" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"**Equity Offering**" means any underwritten primary public offering or private placement of Common Stock of the Parent Guarantor after the Original Issue Date; *provided* that the aggregate gross cash proceeds received by the Parent Guarantor as a result of such offering or placement will be no less than US$20.0 million (or the Dollar Equivalent thereof).

"**Equity-treated Compulsory Convertible Debt**" means any debenture, bond or debt security incurred by the Parent Guarantor or any Restricted Subsidiary, *provided* that such debenture, bond or debt security (i) is, in its entirety, required to convert into the Common Stock of the issuing entity (which is the Parent Guarantor or the relevant Restricted Subsidiary, as the case may be), and (ii) does not confer on the Parent Guarantor or any Restricted Subsidiary any right to repay or redeem the debenture, bond or debt security and (iii) is treated as equity under GAAP. For avoidance of doubt, Equity-treated Compulsory Convertible Debt will constitute Capital Stock of the issuing entity.

"**Euroclear**" means Euroclear Bank SA/NV

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Fair Market Value**" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"**FEMA ODI Regulations**" means the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, as amended.

"**Fitch**" means Fitch Ratings, Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Fixed Charge Coverage Ratio**" means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent two semi-annual periods prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor (which the Parent Guarantor shall use its best efforts to compile in a timely manner) are available and have been provided to the Trustee (the "**Fixed Charge Coverage Ratio Two Semi-Annual Period**") to (2) the aggregate Consolidated Fixed Charges during such Fixed Charge Coverage Ratio Two Semi-Annual Period. In making the foregoing calculation:

(a) *pro forma* effect shall be given to any Indebtedness, Disqualified Stock or Preferred Stock Incurred, repaid or redeemed during the period (the "**Fixed Charge Coverage Ratio Reference Period**") commencing on and including the first day of the Fixed Charge Coverage Ratio Two Semi-Annual Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Fixed Charge Coverage Ratio Two Semi-Annual Period), in each case as if such Indebtedness, Disqualified Stock or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Fixed Charge Coverage Ratio Reference Period; *provided* that, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Parent Guarantor or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness, Disqualified Stock or Preferred Stock;

(b) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(c) *pro forma* effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Fixed Charge Coverage Ratio Reference Period;

(d) *pro forma* effect shall be given to Asset Dispositions and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that occur during such Fixed Charge Coverage Ratio Reference Period as if they had occurred and such proceeds had been applied on the first day of such Fixed Charge Coverage Ratio Reference Period; and

(e) *pro forma* effect shall be given to asset dispositions and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Parent Guarantor or any Restricted Subsidiary during such Fixed Charge Coverage Ratio Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Fixed Charge Coverage Ratio Reference Period;

provided that to the extent that clause (d) or (e) of this sentence requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such pro forma calculation shall be based upon the two full semi-annual periods immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"**GAAP**" means Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and further amended from time to time. Unless the context otherwise requires, all ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis.

"**guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"**Guarantees Guidelines**" means the Foreign Exchange Management (Guarantees) Regulations, 2000, as amended, together with the RBI's Master Circular on Guarantees and Co-Acceptances as periodically updated by the RBI, with the latest master circular dated July 1, 2015.

"**Hedging Obligation**" of any Person means the obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Agreement or Interest Rate Agreement.

"**Holder**" means the Person in whose name a Note is registered in the Note register.

"**Incur**" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of interest shall not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

"**Indebtedness**" means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) (i) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments; and (ii) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (in the case of both (i) and (ii), excluding Trade Payables);

(4) all Capitalized Lease Obligations and Attributable Indebtedness;

(5) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;

(6) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;

(7) to the extent not otherwise included in this definition, Hedging Obligations;

(8) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends; and (10) any Preferred Stock issued by such Person if such Person is a Restricted Subsidiary, valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

Notwithstanding the foregoing, Indebtedness shall not include any Equity-treated Compulsory Convertible Debt, capital commitments or pre-sale receipts in advance from customers Incurred in the ordinary course of business; *provided* that such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Parent Guarantor (contingent obligations and commitments referred to in a footnote to financial statements and not otherwise reflected as borrowings on the balance sheet will not be deemed to be reflected on such balance sheet).

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that:

(1) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;

(2) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(3) the amount of Indebtedness with respect to any Hedging Obligation shall be: (i) zero if Incurred pursuant to clause (2)(e) under the covenant described under the caption "— *Certain Covenants — Limitation on Indebtedness*," and (ii) equal to the net amount payable by such Person if such Hedging Obligation terminated at that time if not Incurred pursuant to clause 2(e) under the covenant described under the caption "— *Certain Covenants — Limitation on Indebtedness*."

"**Independent Third Party**" means any Person that is not an Affiliate of the Parent Guarantor.

"**Indian Restricted Subsidiary**" refers to each Restricted Subsidiary organized under the laws of India.

"**Interest Rate Agreement**" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

"**Investment**" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person;

(4) any Guarantee of any obligation of another Person; or

(5) all other items that would be classified as investments (including purchases of assets outside the ordinary course of business) on a balance sheet of such Person prepared in accordance with GAAP.

For the purposes of the provisions of the "*— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries*" and "*— Certain Covenants — Limitation on Restricted Payments*" covenants: (1) the Parent Guarantor will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Parent Guarantor's proportional interest in the Fair Market Value of the assets (net of the Parent Guarantor's proportionate interest in the liabilities owed to any Person other than the Parent Guarantor or a Restricted Subsidiary and that are not Guaranteed by the Parent Guarantor or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, (2) if the Parent Guarantor or any Subsidiary of the Parent Guarantor sells or otherwise disposes of any Investment of any direct or indirect Subsidiary of the Parent Guarantor such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Parent Guarantor, the Parent Guarantor will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Parent Guarantor's Investments in such Subsidiary that were not sold or disposed of; (3) the acquisition by the Parent Guarantor or any Subsidiary of the Parent Guarantor of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Parent Guarantor or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person; and (4) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

"**Investment Grade**" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-"indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns, a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns, or a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or any of its successors or assigns, or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Parent Guarantor as having been substituted for S&P, Moody's or Fitch or two or three of them, as the case may be.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"**Long-term Priority Debt**" means, as of any determination date, an amount equal to the sum of (i) non-current Secured Indebtedness of the Parent Guarantor and the Issuer, and non-current Indebtedness (other than Indebtedness to be used for working capital purpose) of Non-Guarantor Subsidiaries, aggregated on a consolidated basis in accordance with GAAP, and (ii) the aggregate liquidation preference of Disqualified Stock of the Parent Guarantor and Disqualified Stock and Preferred Stock of Restricted Subsidiaries.

"**Long-term Priority Debt to Total Assets Ratio**" means, with respect to any Transaction Date, the ratio of Long-term Priority Debt as of the date of the most recent annual or semi-annual consolidated balance sheet that is available and have been provided to the Trustee (the "**Most Recent Balance Sheet Date**") to the Total Assets as of the Most Recent Balance Sheet Date. In the event that the Parent Guarantor or any Restricted Subsidiary Incurs, assumes, guarantees, redeems, repays, discharges, defeases, retires or extinguishes any Long-term Priority Debt (other than Long-term Priority Debt incurred under any revolving credit facility unless (x) such Indebtedness has been permanently repaid and has not been replaced or (y) such Indebtedness was reduced with proceeds of an Equity Offering or other Indebtedness) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the Most Recent Balance Sheet Date for which the Long-term Priority Debt to Total Assets Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Long-term Priority Debt to Total Assets Ratio is made (the "**Long-term Priority Debt to Total Assets Ratio Calculation Date**"), then the Long-term Priority Debt to Total Assets Ratio shall be calculated giving *pro forma* effect to such Incurrence, assumption, guarantee, redemption, repayment, discharge, defeasance, retirement or extinguishment of Indebtedness, or such Issuance or redemption of Disqualified Stock or Preferred Stock as if the same had occurred on the Most Recent Balance Sheet Date. For purposes of making the computation referred to above, any Investments, acquisitions, dispositions, mergers, consolidations and disposed operations that have been made by the Parent Guarantor or any of its Restricted Subsidiaries on or prior to or simultaneously with the Long-term Priority Debt to Total Assets Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed or discontinued operations had occurred on the Most Recent Balance Sheet Date.

"**Moody's**" means Moody's Investors Service, Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Exchange Act.

"**Net Cash Proceeds**" means:

(1) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

   (a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

   (b) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole;

   (c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;

   (d) appropriate amounts to be provided by the Parent Guarantor or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and

(2) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"**Non-Guarantor Subsidiary**" means, unless the context requires otherwise, any Restricted Subsidiary of the Parent Guarantor other than the Issuer.

"**Offer to Purchase**" means an offer to purchase Notes by the Issuer or the Parent Guarantor from the Holders commenced by the Issuer or the Parent Guarantor mailing a notice by first class mail, postage prepaid, to the Trustee, the Paying Agent and each Holder at its last address appearing in the Note register stating:

(1) the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a *pro rata* basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "**Offer to Purchase Payment Date**");

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Issuer or the Parent Guarantor defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or integral multiples of US$1,000 in excess thereof.

One Business Day prior to the Offer to Purchase Payment Date, the Issuer or the Parent Guarantor shall deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof accepted for payment. On the Offer to Purchase Payment Date, the Issuer or the Parent Guarantor, as the case may be, shall (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Issuer or the Parent Guarantor, as the case may be. The Paying Agent shall promptly mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and the Registrar shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 or integral multiples of US$1,000 in excess thereof. The Issuer or the Parent Guarantor will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Issuer or the Parent Guarantor will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Issuer or the Parent Guarantor is required to repurchase Notes pursuant to an Offer to Purchase.

To the extent that the provisions of any securities laws or regulations of any jurisdiction conflict with the provisions of the Indenture governing any Offer to Purchase, the Issuer or the Parent Guarantor will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance. The Issuer will not be required to make an Offer to Purchase if a third party makes the Offer to Purchase in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Issuer or the Parent Guarantor and purchases all Notes properly tendered and not withdrawn under the Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Parent Guarantor and its Subsidiaries which the Issuer or the Parent Guarantor in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer or the Parent Guarantor to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"**Offering**" means the offering of the Notes (excluding any Additional Notes).

"**Offering Memorandum**" means the offering memorandum dated , 2017.

"**Officer**" means one of the executive officers of the Issuer or the Parent Guarantor, as the case may be.

"**Officers' Certificate**" means a certificate signed by two Officers.

"**Opinion of Counsel**" means a written opinion from legal counsel in form and substance reasonably acceptable to the Trustee.

"**Original Issue Date**" means the date on which the Notes are originally issued under the Indenture.

"**Payment Default**" means (1) any default in the payment of interest on any Note when the same becomes due and payable, (2) any default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise, (3) the failure by the Issuer or the Parent Guarantor to make or consummate a Change of Control Offer in the manner described under the caption "— *Repurchase of Notes upon a Change of Control*," or an Offer to Purchase in the manner described under the caption "— *Certain Covenants — Limitation on Asset Sales*" or (4) any Event of Default specified in clause (5) of the definition of Events of Default.

"**Permitted Businesses**" means any business which is the same as or related, ancillary or complementary to any of the businesses of the Parent Guarantor and its Restricted Subsidiaries on the Original Issue Date.

"**Permitted Holders**" means any or all of the following:

(1) (x) Ashok B. Jain, Anil B. Jain, Ajit B. Jain and Atul B. Jain; and (y) any entity or family trust set up by Persons listed in sub-clause (x) of this clause (1) *provided* that one or more of such Persons are the initial grantors or trust beneficiaries;

(2) any Affiliate (other than an Affiliate as defined in clause (2) of the definition of Affiliate) of any Person specified in clause (1); and

(3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or more by one or more Persons specified in clauses (1) and (2).

"**Permitted Investment**" means:

(1) any Investment in the Parent Guarantor or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Parent Guarantor or a Restricted Subsidiary that is primarily engaged in a Permitted Business;

(2) any Investment in cash or Temporary Cash Investments;

(3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;

(4) stock, obligations or securities received in satisfaction of judgments;

(5) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(6) any Investment pursuant to a Hedging Obligation not entered into for speculation and designed to protect the Parent Guarantor or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates;

(7) receivables or trade credits owing to the Parent Guarantor or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(8) Investments made by the Parent Guarantor or any Restricted Subsidiary consisting of consideration received in connection with an Asset Sale made in compliance with the covenant described under the caption "*— Certain Covenants — Limitation on Asset Sales*;"

(9) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "*— Certain Covenants — Limitation on Liens*;"

(10) advances to contractors and suppliers for the acquisition of assets or consumables or services in the ordinary course of business that are recorded as deposits or prepaid expenses on the Parent Guarantor's consolidated balance sheet;

(11) deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title in the ordinary course of business;

(12) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers' compensation claims, welfare and social benefits, property maintenance and other purposes specified by statute or regulation from time to time in the ordinary course of business;

(13) deposits made in order to secure the performance of the Parent Guarantor or any of its Restricted Subsidiaries and prepayments made in connection with the acquisition of real property or land use rights or personal property by the Parent Guarantor or any of its Restricted Subsidiaries, in each case in the ordinary course of business;

(14) Investments in securities of trade creditors, trade debtors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;

(15) Investments in existence on the Original Issue Date; and

(16) repurchase of the Notes.

"**Permitted Liens**" means:

(1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole;

(5) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Parent Guarantor or its Restricted Subsidiaries relating to such property or assets;

(6) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person (i) becomes, or becomes a part of, any Restricted

Subsidiary or (ii) is merged with or into or consolidated with the Parent Guarantor or any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Restricted Subsidiary other than the property or assets acquired; *provided* further that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(7) Liens in favor of the Parent Guarantor or any Restricted Subsidiary;

(8) Liens arising from the rendering of a final judgment or order against the Parent Guarantor or any Restricted Subsidiary that does not give rise to an Event of Default;

(9) Liens securing reimbursement obligations with respect to letters of credit, performance and surety bonds and completion guarantees that encumber documents and other property relating to such letters of credit, performance and surety bonds and completion guarantees and the products and proceeds thereof;

(10) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Hedging Obligations permitted by clause (2)(e) the covenant described under the caption *"— Certain Covenants — Limitation on Indebtedness*;"

(11) Liens existing on the Original Issue Date;

(12) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (2)(d) of the covenant described under the caption "*— Certain Covenants — Limitation on Indebtedness*;" *provided* that (i) such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced or (ii) if such Liens extend to or cover different property or assets of the Parent Guarantor or any Restricted Subsidiary than the property or assets securing the Indebtedness being refinanced, such Liens cannot exceed the security coverage in the agreement or similar instrument governing the Indebtedness being refinanced;

(13) any interest or title of a lessor in the property subject to any operating lease;

(14) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Parent Guarantor or any Restricted Subsidiary;

(15) Liens on deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold real properties and issuance of the related land use title made in the ordinary course of business and not securing Indebtedness of the Parent Guarantor or any Restricted Subsidiary;

(16) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers' compensation claims, welfare and social benefits, property maintenance and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Parent Guarantor or any Restricted Subsidiary;

(17) Liens on deposits made in order to secure the performance of the Parent Guarantor or any of its Restricted Subsidiaries in connection with the acquisition of real property or land use rights or personal property by the Parent Guarantor or any of its Restricted Subsidiaries in the ordinary course of business and not securing Indebtedness of the Parent Guarantor or any Restricted Subsidiary;

(18) Liens securing Indebtedness permitted to be Incurred under clause (2)(k) or (m) of the covenant described under the caption "— *Certain Covenants — Limitation on Indebtedness*";

(19) Liens securing Long-term Priority Debt permitted to be Incurred under clause (1) (including subclause (y) thereunder) of the —"Certain Covenants — Limitation on Indebtedness" covenant;

(20) any encumbrance or restriction, including customary rights of first refusal and tag, drag and similar rights, with respect to the Capital Stock of any joint venture pursuant to joint venture agreements entered into in the ordinary course of business;

(21) customary restrictions on assets to be disposed of pursuant to merger agreements, stock or asset purchase agreements and similar agreements; and

(22) Liens securing obligations in an aggregate principal amount not to exceed US$2.5 million (or the Dollar Equivalent thereof) at any one time outstanding.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Preferred Stock**" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Rating Agencies**" means (1) S&P, (2) Moody's and (3) Fitch; *provided* that if S&P, Moody's or Fitch, two of any of the three or all three of them shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Parent Guarantor, which shall be substituted for S&P, Moody's, Fitch, two of any of the three or all three of them, as the case may be.

"**Rating Category**" means (1) with respect to S&P, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (2) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); (3) with respect to Fitch, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); and (4) the equivalent of any such category of S&P, Moody's or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P; "1," "2" and "3" for Moody's; "+" and "-" for Fitch; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"**Rating Date**" means that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

"**Rating Decline**" means the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(a) in the event the Notes are rated by all three of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any two of the three Rating Agencies shall be below Investment Grade;

(b) in the event the Notes are rated by any two, but not all three, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any of such two Rating Agencies shall be below Investment Grade;

(c) in the event the Notes are rated by one, and only one, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

(d) in the event the Notes are rated by three or less than three Rating Agencies and are rated below Investment Grade by all such Rating Agencies on the Rating Date, the rating of the Notes by any Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"**RBI**" means the Reserve Bank of India.

"**Recognized Exchange**" means the Bombay Stock Exchange Limited, National Stock Exchange of India Limited, the New York Stock Exchange and the Nasdaq National Market.

"**Reference Treasury Dealer**" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in the City of New York, selected by the Parent Guarantor in good faith.

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Parent Guarantor in good faith, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

"**Restricted Subsidiary**" means, unless the context requires otherwise, any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary. For avoidance of doubt, the Issuer is a Restricted Subsidiary.

"**S&P**" means Standard & Poor's Ratings Group or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Sale and Leaseback Transaction**" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Parent Guarantor or any Restricted Subsidiary transfers such property to another Person and the Parent Guarantor or any Restricted Subsidiary leases it from such Person.

"**Secured Indebtedness**" means any Indebtedness of the Parent Guarantor or the Restricted Subsidiaries secured by a Lien, including any Capitalized Lease Obligations and Attributable Indebtedness, except to the extent the Notes and the Note Guarantee are secured at least equally and ratably with the collateral securing such Indebtedness.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Senior Indebtedness**" of the Parent Guarantor or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Parent Guarantor or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Issuer, the Notes or (b) in respect of the Parent Guarantor, the Note Guarantee; *provided* that Senior Indebtedness does not include (1) any obligation to the Parent Guarantor or any Restricted Subsidiary, (2) trade payables or (3) Indebtedness Incurred in violation of the Indenture.

"**Senior Management**" means the chief executive officer, the chief financial officer, the company secretary and the members of the Board of Directors of the Parent Guarantor.

"**Significant Subsidiary**" means a Restricted Subsidiary, when consolidated with its Restricted Subsidiaries, that would be a "significant subsidiary" using the conditions specified in the definition of significant subsidiary in Article 1, Rule 1-02(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of the Indenture, if any of the conditions exceeds 5%, and the Issuer.

"**Stated Maturity**" means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

"**Subordinated Indebtedness**" means any Indebtedness of the Issuer or the Parent Guarantor which is subordinated or junior in right of payment to the Notes or the Note Guarantee, as applicable, pursuant to a written agreement to such effect.

"**Subordinated Shareholder Loan**" means unsecured Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary from, but only for so long as such Indebtedness is owed to, any Permitted Holder (other than the Parent Guarantor or any Restricted Subsidiary) as to which (a) the payment of principal of (and premium, if any) and interest and other payment obligations in respect of such Indebtedness is, by its terms or by the terms of any agreement or instrument pursuant to which such Indebtedness is issued or remains outstanding and an agreement (the "Subordination Agreement") to be entered into among the holders of such Indebtedness (or trustees or agents therefor) and the Trustee, is expressly made subordinate to the prior payment in full of the Notes to at least the following extent: (i) no payments of principal of (or premium, if any) or interest on or otherwise due in respect of such Indebtedness may be permitted for so long as any Default exists; (ii) such Indebtedness may not (x) provide for payments of principal of such Indebtedness at the Stated Maturity thereof or by way of a sinking fund applicable thereto or by way of any mandatory redemption, defeasance, retirement or repurchase thereof by the Parent Guarantor or such Restricted Subsidiary (including any redemption, retirement or repurchase which is contingent upon events or circumstances), in each case prior to 180 days after the final Stated Maturity of the Notes or (y) permit redemption or other retirement (including pursuant to an offer to purchase made by the Parent Guarantor or any Restricted Subsidiary) of such other Indebtedness at the option of the holder thereof prior to 180 days after the final Stated Maturity of the Notes, except to the extent such redemption or other retirement is permitted under the covenant described under the caption "— Certain Covenants — Limitation on Restricted Payments" on the date of such redemption or other retirement, (iii) the Subordination Agreement will prevent the holders of such Indebtedness (or trustees or agents therefor) from pursuing remedies against the Parent Guarantor or any of the Restricted Subsidiaries or their respective assets or properties in an insolvency proceeding or in respect of a default under such Indebtedness and (iv) the Subordination Agreement will provide in the event that any payment is received by the holders of such Indebtedness (or any trustee or agent therefor) in respect of such Indebtedness where such payment is prohibited by one or more of the subordination provisions described in this definition, such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the Trustee on behalf of the Holders of the Notes, and (b) the terms thereof provide that interest (and premium, if any) thereon is paid solely in the form of (i) pay-in-kind, or PIK, payments constituting additional Subordinated Shareholder Loans or (ii) cash (to the extent provided for when such Subordinated Shareholder Loan was originally Incurred) if such cash interest (or premium, if any) payment would be permitted to be made under the covenant described under the caption "— Certain Covenants — Limitation on Restricted Payments" on the date of such payment.

"**Subsidiary**" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

"**Temporary Cash Investment**" means any of the following:

(1) direct obligations of the United States of America, any state of the European Economic Area, India or any agency of any of the foregoing or obligations fully and unconditionally Guaranteed by the United States of America, any state of the European Economic Area, India or any agency of any of the foregoing, in each case maturing within one year, which in the case of obligations of, or obligations Guaranteed by, any state of the European Economic Area, shall be rated at least "A" by S&P, Moody's or Fitch;

(2) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, any state of the European Economic Area or India, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US$100.0 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing not more than 180 days after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Parent Guarantor) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's, "A-1" (or higher) according to S&P or Fitch;

(5) securities, maturing within one year of the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P, Moody's or Fitch;

(6) any (i) money market fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and

(7) demand or time deposit accounts, certificates of deposit, overnight or call deposits and money market deposits with (i) any bank with a rating at the time as of which any deposit therein is made of "AA" (or higher) according to CRISIL Ratings, ICRA

Limited or India Ratings and Research or (ii) any other bank organized under the laws of India; *provided* that, in the case of clause (ii), such deposits do not exceed US$2.5 million (or the Dollar Equivalent thereof) with any single bank or US$5.0 million (or the Dollar Equivalent thereof) in the aggregate, at any date of determination thereafter.

"**Total Assets**" means, as of any date, the total consolidated assets of the Parent Guarantor and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent semi-annual period for which consolidated financial statements of the Parent Guarantor (which the Parent Guarantor shall use its best efforts to compile on a timely manner) are available and have been provided to the Trustee.

"**Trade Payables**" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors (including LC banks) created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services, *provided* that such accounts payable, indebtedness or obligation is classified as current liabilities on the consolidated balance sheet of the Parent Guarantor prepared in accordance with GAAP.

"**Transaction Date**" means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"**Unrestricted Subsidiary**" means (1) any Subsidiary of the Parent Guarantor that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture; and (2) any Subsidiary of an Unrestricted Subsidiary.

"**U.S. Government Obligations**" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally Guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"**Wholly Owned**" means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. Neither these statements nor any other statements in this Offering Memorandum are to be regarded as advice on the tax position of any holder or beneficial owner of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India or the country of which they are residents.

Indian Taxation

The following summary describes certain Indian tax consequences applicable to the ownership and disposition of Notes by persons who are not tax residents in India and who do not hold Notes in connection with an Indian trade or business or permanent establishment.

The Income Tax Act, 1961 (the "Tax Act") is the law relating to taxation of income in India. This summary is based on the provisions of the Tax Act in effect as of the date of this Offering Memorandum.

Based on advice from our Indian tax advisors, we and the Issuer believe that holders of the Notes (other than holders who are tax residents of India or holders who receive payments in India, of interest, principal or any payment pursuant to the Note Guarantee) should not be subject to income or withholding tax in India in connection with payments of principal or interest made by the Issuer on the Notes (including pursuant to the Note Guarantee of the Notes), or in respect of any gains on disposition of Notes, under Indian tax laws in effect as of the date of this Offering Memorandum.

However, absent a ruling from the Indian tax authorities, the Issuer and the Parent Guarantor cannot assure holders of Notes that this will be the case. It may be noted that if Indian tax were to apply, it would be subject to any benefits available to holders of the Notes who are not tax residents of India under the provisions of any Double Taxation Avoidance Agreement entered into by the Indian Government with the country of tax residence of such non-resident holder.

This discussion is a general summary and is not intended to constitute a complete analysis of all the Indian tax consequences that may be relevant to a holder of the Notes. It does not cover all tax matters that may be of importance to a particular purchaser. Each prospective investor is strongly urged to consult its tax advisor about the tax consequences to it of an investment in the Notes.

Netherlands Taxation

The following summary describes certain Dutch taxation matters applicable to the acquisition, sale or other dealings in respect of the Notes and is based on the laws and practice in force as of the date of this Offering Memorandum and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect.

For the purpose of this summary it is assumed that no holder of a Note has or will have a substantial interest (*aanmerkelijk belang*), or — in the case of a holder of a Note being an entity — a deemed substantial interest, in the Issuer and that no connected person (*verbonden persoon*) to the holder of a Note has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5% or more of either the annual profit or the liquidation proceeds of such company.

Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of the company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5% or more of either the annual profit or the liquidation proceeds of such company. An entity holding a Note has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes. Where this summary refers to a holder of a Note, an individual holding a Note or an entity holding a Note, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Note.

Where the summary refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.

Withholding Tax

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

Residents

Resident entities

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which, in whole or in part, is not subject to or exempt from tax, will generally be subject to corporate tax in respect of income or a capital gain derived from a Note at the prevailing statutory rates.

Resident individuals

An individual holding a Note who is or is deemed to be resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Note at rates up to 52% if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Note will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. The deemed return amounts to a fixed rate of 4% of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Note). On 1 January 2017, the fixed deemed return will be replaced with three graduated rates of deemed return depending on the taxpayer's qualifying net investment assets (presently, 2.87%, 4.60% and 5.39%) which will be adjusted annually. Subject to application of certain allowances, the deemed return will be taxed at a rate of 30%.

Non-residents

A holder of a Note which is not and is not deemed to be resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Note unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the holder of a Note derives profits from such enterprise (other than by way of securities); or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

Gift and Inheritance Taxes

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

(i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions;

(ii) or the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

Value Added Tax

The issuance or transfer of a Note, and payments of interest and principal under a Note, will not be subject to value added tax in The Netherlands.

Other Taxes and Duties

The subscription, issue, placement, allotment, delivery or transfer of a Note will not be subject to registration tax, stamp duty or any other similar documentary tax or duty payable in The Netherlands.

Residence

A holder of a Note will not be, or deemed to be, resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE NOTE GUARANTEE

The primary exchange control legislation in India is the FEMA. Pursuant to FEMA, the central Government and the RBI have promulgated various regulations, rules, circulars and press notes in connection with various aspects of exchange control. The Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 vide Notification No. FEMA.120/RB-2004 dated July 7, 2004 (as amended, the "FEMA ODI Regulations"), as well as the provisions of the RBI's Master Direction on Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad that is periodically updated by the RBI, with the latest master circular dated January 1, 2016 (updated as of October 6, 2016) (the "JV/WOS Circular," and, together with the FEMA ODI Regulations, the "JV/WOS Guidelines") are the primary regulations governing overseas direct investments outside India by Indian residents as well as issuances of guarantees by Indian companies in favor of their overseas joint ventures or subsidiaries. The term "direct investment outside India" has been defined by the FEMA ODI Regulations to mean investment by way of contribution to the capital or subscription to the charter documents of a foreign entity or through the purchase of existing shares of a foreign entity either by market purchase or private placement or through stock exchanges, but does not include portfolio investment.

A guarantee issued by an Indian company on behalf of its non-Indian subsidiaries or joint ventures is also governed by the Foreign Exchange Management (Guarantees) Regulations, 2000 (as amended, the "FEMA Guarantees Regulations"). The FEMA Guarantees Regulations permit an Indian company to issue a guarantee on behalf of its overseas joint ventures and/or its subsidiary in connection with its business, as long as such guarantee is in compliance with the JV/WOS Guidelines.

Pursuant to the JV/WOS Guidelines, an Indian company is permitted to provide a guarantee on behalf of its non-Indian wholly owned subsidiaries or joint ventures without the prior approval of the RBI under the automatic route. To do so, however, certain conditions must be met, including that such Indian company's total financial commitment does not exceed 400.0% of its net worth (being the aggregate of the paid-up capital and free reserves) set forth in its last audited balance sheet at the time such guarantee is issued.

For the purpose of determining the "net worth" of an Indian company, the net worth of the holding company (which holds a minimum 51.0% interest in such Indian company) or its Indian subsidiary (in which such Indian company holds a minimum 51.0% interest) may be taken into account to the extent such net worth has not been otherwise used by the holding company or the subsidiary and subject to a letter of disclaimer from the holding company and the subsidiary. Additionally, the non-Indian subsidiaries or joint ventures in which the investment is being made must be engaged in bona fide business activities. For the purposes of the FEMA ODI Regulations, "total financial commitment" includes the aggregate direct equity contributions and loans provided to, and the amount of all guarantees given by, the Indian company on behalf of all non-Indian subsidiaries and joint ventures.

For the purposes of the FEMA ODI Regulations and the JV/WOS Circular, "total financial commitment" includes the aggregate of 100.0% of the amount of equity shares, 100.0% of the amount of compulsorily and mandatorily convertible preference shares, 100.0% of the amount of other preference shares, 100.0% of the amount of the loan, 100.0% of the amount of the guarantee (other than the performance guarantee) issued by the Indian company, 100.0% of the amount of the bank guarantees issued by a resident bank on behalf of the joint venture or non-Indian wholly owned subsidiaries of the Indian company, provided the bank guarantee is backed by a counter guarantee or collateral by the Indian company, and 50% of the amount of the performance guarantee issued by the Indian company.

By a circular dated July 3, 2014, the RBI has imposed an annual limit of US$1 billion (or its equivalent) on the financial commitment of an Indian company in one financial year. Any financial commitment in excess of such limit in a financial year, even if within the overall 400.0% net worth limit, will require the prior approval of the RBI.

In addition to the above, the Indian company (which is providing the guarantee outside India) should not be on the RBI's exporters' caution list or list of defaulters to the system circulated by specified entities or under investigation by any investigative or enforcement agency or regulatory body.

The Indian company may give a loan or extend a guarantee only to a joint venture or non-Indian wholly owned subsidiaries in which it has equity participation. Further, RBI has also permitted Indian entities to extend any form of guarantee, viz., corporate or personal (including the personal guarantee by the indirect resident individual promoters of the Indian company which is the shareholder of the overseas joint venture or subsidiary)/ primary or collateral/guarantee by the promoter company/guarantee by the group company, sister concern or associate company in India subject to certain conditions, including without limitation: (i) all financial commitments, including all forms of guarantees, are within the overall ceiling prescribed for overseas investment by the Indian company which is the shareholder of the overseas joint venture or subsidiary; (ii) the guarantees must specify a maximum amount and duration of the guarantee upfront (i.e., no guarantee can be open-ended or unlimited); and (iii) in cases where invocation of the performance guarantee breaches the ceiling for the financial commitment, prior approval of the RBI would be required before remitting funds from India, on account of such invocation.

Following the issue of the Guarantees, the Company will be required to disclose certain terms of the Guarantees to the RBI, in Form ODI - Part I, through an authorized dealer (bank) in India within 30 days from the date of issue of the Guarantees.

Generally, under section 186 of the Companies Act, 2013, an Indian company is required to obtain by special resolution the approval of 75% of its shareholders entitled and voting on the matter prior to issuing a guarantee which, together with existing loans, investments and guarantees, exceeds the greater of: (i) 60.0% of the aggregate paid-up share capital and free reserves; or (ii) all of its free reserves. This requirement of a special resolution under section 186 does not apply to any guarantee given by a company in respect of a loan made to its joint venture company or wholly owned subsidiary. An Indian company is required to maintain a register in the prescribed Form MBP 2 and enter therein the particulars of guarantees given within seven days of giving such guarantee.

Further, in accordance with the FEMA and the regulations framed thereunder, a person resident in India will be required to obtain the approval of the RBI for any payment in respect of any indemnities that may be required to be made by such person to, or for the credit of, any person resident outside India, in rupees or foreign currency, before any such payment is made. Consequently, an indemnity payment by the Parent Guarantor to the Noteholders will require a prior RBI approval.

In the event a guarantee issued by an Indian company on behalf of its wholly owned subsidiary is enforced by a competent court in a territory other than a "reciprocal territory," the judgment must be enforced in India by a suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such a judgment, unless the amount is to be repatriated pursuant to the guarantee provided under the automatic route.

For further details on the recognition and enforcement of foreign judgments in India, see "Enforceability of Civil Liabilities".

PLAN OF DISTRIBUTION

We intend to offer the Notes through the Initial Purchasers. Subject to the terms and conditions contained in a purchase agreement dated , 2017 among the Issuer, the Parent Guarantor and the Initial Purchasers, we have agreed to sell to the Initial Purchasers and the Initial Purchasers have agreed to purchase from us the principal amount of Notes set forth opposite their names below.

Initial Purchaser	Principal Amount of Notes
Deutsche Bank AG Singapore Branch	US$
J.P. Morgan Securities plc	US$
Barclays Bank PLC	US$
Nomura International (Hong Kong) Limited	US$
Coöperatieve Rabobank U.A., trading as Rabobank London	US$
Total	**US$**

The Initial Purchasers have agreed to purchase all of the Notes being sold pursuant to the purchase agreement, if it purchases any of the Notes. The Initial Purchasers have advised us that they propose initially to offer the Notes at the price listed on the cover page of this Offering Memorandum. The price at which the Notes are offered and other selling terms may be changed from time to time without notice by the Initial Purchasers. The Initial Purchasers may offer the Notes in various jurisdictions through certain of its affiliates.

In addition, we have agreed with the Initial Purchasers that certain private banks will be paid a commission in connection with the distribution of the Notes to their clients. This commission may be based on the principal amount of the Notes so distributed, and may be deducted from the purchase price for the Notes payable by such private banks in respect of such Notes upon settlement.

The Notes will constitute a new class of securities with no established trading market. Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. However, we cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering.

Each of the Initial Purchasers has advised us that it currently intends to make a market in the Notes. However, the Initial Purchasers are not obligated to do so, and may discontinue any market-making activities with respect to the Notes at any time without notice. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the Notes.

The Initial Purchasers (or their respective affiliates or any other person acting for them) may engage in overallotment, stabilizing transactions, syndicate covering transactions and penalty bids to the extent permitted by applicable laws and regulations. Overallotment involves sales in excess of the offering size, which creates a short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a dealer when the Notes originally sold by such dealer are purchased in a stabilizing transaction or a covering transaction to cover short positions. The Initial Purchasers do not make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, the Initial Purchasers do not make any representation that it will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Pursuant to the terms of the purchase agreement, the Issuer and the Parent Guarantor have agreed to indemnify the Initial Purchaser against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchasers may be required to make because of any of those liabilities.

The Initial Purchasers and their respective affiliates have in the past engaged in transactions with and performed services, including financial advisory, commercial banking, investment banking and other banking services, for the Parent Guarantor and its affiliates in the ordinary course of business, for which they received customary fees and expenses, and they may engage in similar transactions or perform similar services for the Parent Guarantor and its affiliates in the future. Furthermore, the Parent Guarantor and/or the Issuer may enter into hedging or other derivative transactions as part of our risk management strategy with the Initial Purchasers, which may include transactions relating to the obligations under the Notes. Our obligations under these transactions may be secured by cash or other collateral.

The Initial Purchasers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution. The Initial Purchasers or their respective affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Parent Guarantor or its respective subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Memorandum relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Selling Restrictions

General

No action has been taken or will be taken in any jurisdiction by us or the Initial Purchasers that would permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Notes or this offering, in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor such other material may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

United States

The Notes and the Note Guarantee have not been and will not be registered under the Securities Act or any state securities laws of the United States and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Initial Purchasers, through their respective affiliates, acting as selling agents where applicable, propose to offer the Notes to certain persons only outside the United States in offshore transactions in reliance on Regulation S of the Securities Act and in accordance with applicable laws.

Until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act.

Terms used in the preceding three paragraphs have the meanings given to them by Regulation S.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), an offer of the Notes may not be made to the public in that Relevant Member State other than:

1. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

2. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Initial Purchasers for any such offer; or

3. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require us or any of the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of the above paragraph, the expression "an offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each Initial Purchaser has severally represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

India

This Offering Memorandum has not been and will not be registered, produced or published as a prospectus as defined under the Companies Act, with the Registrar of Companies, the Securities and Exchange Board of India, the Reserve Bank of India or any other statutory or regulatory body of like nature in India. This Offering Memorandum is not intended to constitute an offer of securities (whether to the public or by way of placement) within the meaning of the Companies Act or any other applicable Indian laws. The Notes will not be offered or sold, and have not been offered or sold either directly or indirectly to any person or the public or any member of the public in India, or for the account or benefit of any person resident in India, either directly or indirectly, by means of any document. This Offering Memorandum or any other offering document or material relating to the Notes will not be circulated or distributed either directly or indirectly and has not been circulated or distributed, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India. The Notes have not been offered or sold and will not be offered or sold in India in circumstances which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities to the public within the meaning of the Companies Act and other applicable Indian law for the time being in force. The acquisition of these Notes by Indian residents may be prohibited or subject to, limited by and conditioned upon stipulations contained in the Foreign Exchange Management Act, 1999 and ancillary regulations.

Hong Kong

Each of the Initial Purchasers has represented and agreed that (1) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and any rules made thereunder; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (2) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Singapore

Each of the Initial Purchasers has acknowledged that this Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, each of the Initial Purchasers has represented, warranted and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Offering Memorandum has not been and will not be registered with the MAS. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance on an exemption under Sections 274 or 275 of the SFA, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

(i) an institutional investor (as defined in Section 4A of the SFA);

(ii) a relevant person (as defined in Section 275 (2) of the SFA); or

(iii) any person pursuant to an offer referred to in Section 275 (1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

1. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

2. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor (under Section 274 of the SFA), or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions specified in Section 275 of the SFA;

(ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(iii) where no consideration is or will be given for the transfer;

(iv) where the transfer is by operation of law; or

(v) as specified in Section 276(7) of the SFA.

Switzerland

This Offering Memorandum does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the Notes will not be listed on the SIX Swiss Exchange. Therefore, this Offering Memorandum may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus scheme) of the SIX Swiss Exchange. Accordingly, the Notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the Notes with a view to distribution. Any such investors will be individually approached by the Initial Purchasers from time to time.

People's Republic of China

This Offering Memorandum does not constitute a public offer of the Notes, whether by sale of by subscription, in the People's Republic of China (the "PRC"). The Notes will not be offered or sold within the PRC by means of this Offering Memorandum or any other document.

TRANSFER RESTRICTIONS

Because of the following restrictions, we encourage investors to consult their own legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Securities.

The Securities are subject to restrictions on transfer as summarized below. By purchasing the Securities, you will be deemed to have made the following acknowledgements, representations to, and agreements with, us and the Initial Purchasers:

1. You understand and acknowledge that:

   - the Securities have not been registered under the Securities Act or the securities laws of any state or other jurisdiction;

   - the Securities are being offered for resale in transactions that do not require registration under the Securities Act or the securities laws of any state or other jurisdiction;

   - the Securities are being offered and sold only outside the United States in offshore transactions in reliance on Rule 903 of Regulation S under the Securities Act; and

   - unless so registered, the Securities may not be sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or the securities laws of any state or other jurisdiction.

2. You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of ours, that you are not acting on our behalf and that you are purchasing the Securities in an offshore transaction in accordance with Regulation S under the Securities Act.

3. You acknowledge that neither we nor the Initial Purchasers nor any person representing us or the Initial Purchasers has made any representation to you with respect to us or the offering of the Securities, other than the information contained in this Offering Memorandum. You represent that you are relying only on this Offering Memorandum in making your investment decision with respect to the Securities. You agree that you have had access to such financial and other information concerning us and the Securities as you have deemed necessary in connection with your decision to purchase the Securities including an opportunity to ask questions of and request information from us.

4. You represent that you are purchasing the Securities for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Securities in violation of the Securities Act.

5. You also acknowledge that each Note will contain a legend substantially to the following effect:

   THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH

REGISTRATION. BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

6. You acknowledge that we, the Initial Purchasers, the Transfer Agent and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of the Securities is no longer accurate, you will promptly notify us and the Initial Purchasers. If you are purchasing any Securities as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

SUMMARY OF CERTAIN PRINCIPAL DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

We began preparing our financial information under Ind AS from April 1, 2016 and the date of transition to Ind AS was April 1, 2015.

The Unaudited Financial Statements included elsewhere in this Offering Memorandum have each been prepared in accordance with Ind AS and reporting guidelines prescribed by Indian regulatory authorities applicable as of the relevant applicable dates. Our Unaudited Financial Statements may require adjustments before constituting the final financial statements under Ind AS as of and for the years ended March 31, 2016 and 2017 due to changes in financial reporting requirements which may arise from new or revised standards or interpretations issued by the Ministry of Corporate Affairs, changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS provisions as permitted under Ind AS 101 or other changes or interpretation. As a result, our results for the six months ended September 30, 2015 and 2016 should not be considered indicative of the results we may record for fiscal years 2016 and 2017.

The following table summarizes significant measurement differences between Indian GAAP and Ind AS.

		Indian GAAP	Ind AS
1.	Biological Assets	There is no guidance under Indian GAAP for biological assets. Thus the inventory is valued at cost and revenue is accounted at the time of sale.	All biological assets are measured at fair value less cost to sell, unless fair value cannot be readily measured. Any change in the fair value of biological assets during a period is reported in profit or loss.
2.	Property Plant and Equipment — Spares	Machinery spares are usually charged to the profit or loss statement as and when consumed and carried in inventory. However, if the spares can only be used in connection with an item of fixed asset and their use is expected to be irregular, it may be appropriate to allocate the total cost on a systematic basis over a period not exceeding the useful life of the principal item.	Spare parts are recognized as per Ind AS when they meet the definition of property, plant and equipment, i.e., if they can be used for more than one period. Otherwise, such items are classified as inventory.

		Indian GAAP	Ind AS
3.	Financial Instruments — FCCBs	The Company has recorded the FCCB as a long-term liability. There is no specific guidance under Indian GAAP.	Under Ind AS, the convertible debts are split into liability and equity component or conversion option as an embedded derivative depending on the contractual terms of the financial instruments at issuance. A conversion option to acquire a fixed number of equity shares for a fixed amount of cash in any currency (the entity's functional currency or foreign currency) is treated as equity. Accordingly, it is not required to be remeasured at fair value. Based on the evaluation, the equity conversion option embedded in the convertible bond has been classified as derivative. Therefore, the FCCB is to be split into liability (recorded at the amortized cost) and derivative (recorded at fair value through the profit and loss statement).
4.	Financial Instruments — Compulsory Convertible Debentures.	The entire instrument is classified as debt based on its legal form. Any interest expense is recognized based on the coupon rate.	Under Ind AS, the convertible debts are split into liability and equity component or conversion option as an embedded derivative depending on the contractual terms of the financial instruments at issuance. Further, the cost of issuance related to the issuance of a compound financial instrument shall be allocated to the liability and equity/embedded derivative components of the instrument in proportion to the allocation of proceeds. The Company had multiple instruments, which have been classified appropriately based on their contractual terms.

		Indian GAAP	Ind AS
5.	Financial Instruments — Impairment of Trade Receivables	The Company provides for debtors based on an ageing analysis at each period end. All trade receivables beyond three years are considered doubtful and provided for entirely under Indian GAAP.	Ind AS 109 introduces an expected loss model to measure the provision of doubtful debts with respect to trade receivables. A simplified approach is permitted for trade receivables allowing recognition of lifetime expected credit losses at all times. Ind AS 109 allows the use of a provision matrix to measure expected credit losses.
6.	Financial Instruments — Investments in Redeemable Preference Shares, Equity Shares, Mutual Funds.	As per AS 13, long-term investments are carried at cost less provision for diminution in value which is other than temporary.	All financial assets are classified and measured at the amortized cost or fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss (fair value through profit and loss account), or recognized in other comprehensive income (fair value through other comprehensive income). Based on the evaluation, preference share, the investments in equity share (other than subsidiaries), mutual funds and listed bonds would be carried at fair value through profit and loss. The Company has opted to report investments in equity shares in subsidiaries at cost in its standalone financial statements.

		Indian GAAP	Ind AS
7.	Financial Instruments — Financial Guarantees	Under Indian GAAP, these guarantees are not accounted for in the financial statements. However, they are disclosed as contingent liabilities in the financial statements.	Under Ind AS, guarantees given for debt taken by subsidiaries qualify as financial instruments recognized initially at fair value. These are amortized over the period of the loan (subject to the impact of impairment, if any). The difference between the fair value of guarantee given and charges recovered (if any) from the subsidiary is effectively treated as capital contribution into its subsidiaries.
8.	Financial Instruments — Derivative Contracts	The Company records the mark-to market losses on interest rate swaps to the statement of profit and loss account. However, for forward contracts and principal-only swaps which satisfy the requirements of AS 11, the premium is amortized over the life of the forward contract.	Under Ind AS, the Company has to value all the derivatives as fair value through profit and loss.
9.	Income Taxes.	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.
10.	Government Grants	Under Indian GAAP, the Company recognizes the grants on its receipt by adjusting the same against gross value of the asset concerned.	Ind AS 20, requires the grants related to assets to be presented only by setting up the grant as deferred income. The option to deduct the grant from the gross value of the asset is not available.

		Indian GAAP	Ind AS
11.	Actuarial Gains and Losses .	All actuarial gains and losses should be recognized immediately in the statement of profit or loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions would have to be recognized in other comprehensive income and not reclassified to profit or loss in a subsequent period.
12.	Proposed Dividend.	Schedule III requires disclosure of proposed dividend in the notes to accounts. However, as per the requirements of AS 4 which override the provisions of schedule III, dividends stated to be in respect of the period covered by the financial statements, which are proposed or declared after the balance sheet date but before approval of the financial statements will have to be recorded as a provision.	Liability for dividends declared to holders of equity instruments is recognized in the period when declared. It is a non-adjusting event.
13.	ESOP.	Under Indian GAAP, the Company computes the ESOP expenditure using an intrinsic value method.	Ind AS requires the ESOP expenditure to be accounted based on the option's fair value.
14.	Revenue — Sales Return . . .	There is limited accounting guidance on the creation of provisions for sales return.	Under Ind AS, when the buyer has a right of return and there is uncertainty about the possibility of return, revenue is not recognized until the shipment has been accepted by the customer or the goods have been delivered and the time period for rejection has elapsed. An adjustment would be made to revenue, cost of revenue, and inventories for estimated sales return

	Indian GAAP	Ind AS
15. Revenue — Excise Duty . . .	Under Indian GAAP as per AS 9, Revenue Recognition, excise duty included in the turnover is presented as reduction from the gross turnover on the face of the statement of profit or loss.	Under Ind AS, excise duty is considered as a liability of the manufacturer, which forms part of the cost of production, irrespective of whether the goods are sold or not. The recovery of excise duty flows to the entity on its own account and hence, should be included in the amount of revenue. Further, the Ind AS Transition Facilitation Group of the Institute of Chartered Accountants of India has also recommended a consistent approach and clarified that revenue should be presented as a gross amount including excise duty in the statement of profit and loss prepared under Ind AS and excise duty payable as expense.
16. Functional Currency of Subsidiaries	The Company has classified investment subsidiaries and marketing arms as integral foreign operations and all operational subsidiaries as non-integral foreign operations under Indian GAAP.	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Exchange differences arising on translation or settlement of foreign currency monetary items are recognized in profit or loss in the period in which they arise. Exchange differences on monetary items that, in substance, form part of net investment in a foreign operation, are recognized in profit or loss in the period in which they arise in the separate financial statements and in other comprehensive income in the consolidated financial statements and reclassified from equity to profit or loss on disposal of the net investment.

	Indian GAAP	Ind AS
17. Deferred Tax	Under Indian GAAP, for consolidated financial statements, tax expense (including deferred taxes) is determined based on an aggregation of the income tax expense as reflected in the separate financial statements of the Company and its subsidiaries.	Deferred tax liability for all taxable temporary differences are recognized except to the extent: - the parent, the investor, the venturer, or joint operator is able to control the timing of the reversal of the temporary difference; and - the temporary difference will probably not reverse in the foreseeable future. Deferred tax on unrealized intra-group profits is recognized at the buyer's rate.
18. Goodwill — Amortization	Goodwill arising on amalgamation in the nature of a purchase is amortized over a period not exceeding five years.	As per Ind AS, goodwill is not amortized but is subject to an annual impairment test, or more frequently whenever there is an impairment indication.
19. Business Combination — Deferred Liability	There is no accounting guidance for deferred consideration under Indian GAAP.	Deferred consideration comprises obligations to pay specified amounts on future dates — i.e., there is no uncertainty about the amount to be paid. Deferred consideration is recognized and measured at fair value at the date of acquisition. It is included in the consideration transferred. The unwinding of any interest element of deferred consideration is recognized in profit or loss.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for us by Baker & McKenzie.Wong & Leow as to matters of New York and U.S. federal securities laws and Solomon & Co. as to matters of Indian law.

Certain legal matters in connection with this offering will be passed upon for the Initial Purchasers by Clifford Chance as to matters of New York and U.S. federal securities laws and AZB & Partners as to matters of Indian law.

INDEPENDENT AUDITORS

The Audited Financial Statements included in this Offering Memorandum have been audited by Haribhakti & Co LLP, independent auditors, in accordance with the Standards on Auditing as issued by the Institute of Chartered Accountants of India as stated in its reports included elsewhere in this Offering Memorandum. Our Unaudited Interim Consolidated financial statements have been reviewed by Haribhakti & Co LLP, in accordance with Ind AS 34 "Interim Financial Reporting" as stated in its report included elsewhere in this Offering Memorandum.

ENFORCEABILITY OF CIVIL LIABILITIES

India

We are a public limited company incorporated under the laws of India and a number of our subsidiaries are incorporated under the laws of India. In addition, all of our directors and our key management personnel named herein reside in India and all or a substantial portion of the assets of the Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "Civil Code") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Code may be enforced either by a fresh suit upon judgment or by proceedings in execution.

Under Section 14 of the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India which the Indian Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or a fine or other penalties and does not include arbitration awards. Furthermore, the execution of the foreign decree under Section 44A of the Civil Code is also subject to the exception under Section 13 of the Civil Code, as discussed above.

The United Kingdom, Singapore and Hong Kong (among others) have been declared by the Indian Government to be reciprocating territories for the purposes of Section 44A. However, the United States has not been declared by the Indian Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh proceeding suit instituted in a court of India and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed in India to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would, if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such judgment and such amount may be subject to income tax in accordance with applicable laws. Further, any judgment awarding damages in a foreign currency would be converted into Indian rupees on the date of the judgment and not the date of payment. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delay. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

LISTING AND GENERAL INFORMATION

Consents

The Issuer and the Parent Guarantor have obtained all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes and Note Guarantee. The issue of the Notes by the Issuer has been authorized by a written resolution of the board of directors of the Issuer dated January 16, 2017 and a shareholder resolution of the Issuer dated January 16, 2017. The giving of the Note Guarantee by the Parent Guarantor has been authorized by a written resolution of the board of directors of the Parent Guarantor dated January 14, 2017.

Litigation

Except as disclosed in this Offering Memorandum, there are no legal or arbitration proceedings against or affecting the Issuer, the Parent Guarantor, any of their respective subsidiaries or any of their respective assets, nor are they aware of any pending or threatened proceedings, which are or might be material in the context of this issue of the Notes or the Note Guarantee.

No Material Adverse Change

There has been no adverse change or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise) of the Issuer or the Parent Guarantor's general affairs since September 30, 2016 that is material in the context of the issue of the Notes or the Note Guarantee.

Clearing System and Settlement

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream under the Common Code number and the International Securities Identification Number for the Notes is .

Listing of the Notes

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or information contained in this Offering Memorandum. Approval in-principle from the SGX-ST, admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the offering, the Issuer, the Parent Guarantor, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture companies (if any) or the Notes. The Notes will be traded on the SGX-ST in a minimum, board lot size of US$200,000 for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement for such exchange shall be made by or on behalf of the Issuer through the SGX-ST, and such announcement shall include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Accounts

The Parent Guarantor prepares consolidated financial statements audited by independent auditors. For so long as any of the Notes are outstanding, copies of the Audited Financial Statements and the Unaudited Financial Statements may be obtained during normal business hours on any weekday (excluding public holidays) from the registered office of the Parent Guarantor.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited interim consolidated financial statements as of and for the six months ended September 30, 2015 and 2016

Audited consolidated financial statements as of and for the fiscal years ended March 31, 2015 and 2016

Audited consolidated financial statements as of and for the fiscal years ended March 31, 2014 and 2015

HARIBHAKTI & CO. LLP
Chartered Accountants

Limited Review Report

Review Report to
The Board of Directors
Jain Irrigation Systems Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Jain Irrigation Systems Limited ('the Company') for the quarter ended September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

HARIBHAKTI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standards and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. As stated in Note 3 to the Statement, figures pertaining to the quarter ended September 30, 2015 have not been subject to limited review or audit.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

HARIBHAKTI & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Snehal Shah
Partner
Membership No.: 048539

Mumbai
November 10, 2016

Limited Review Report

Review Report to
The Board of Directors
Jain Irrigation Systems Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Jain Irrigation Systems Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate for the quarter ended September, 2016 ("the Statement") being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

HARIBHAKTI & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

3. We believe that the review procedures performed by us and performed by the other auditors in terms of their report referred to in paragraph 6 below, is sufficient and appropriate to provide a basis for our reporting on the Statement.

4. Based on our review conducted as above, and on consideration of the reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standards and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. As stated in Note 3 to the Statement, figures pertaining to the quarter ended September 30, 2015 have not been subject to limited review or audit.

6. We did not review the financial results of thirteen subsidiaries included in the Statement, whose financial results reflects total assets of Rs. 379,551.29 Lacs as at September 30, 2016, total revenue of Rs. 69,837.26 Lacs and total profit after tax of Rs. 1,398.86 Lacs for the quarter ended September 30, 2016, as considered in the Statement. These financial results have been reviewed by the other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

7. We did not review the financial results of eight subsidiaries included in the Statement, whose financial results reflects total assets of Rs. 221,066.45 Lacs as at September 30, 2016, total revenue of Rs. 2,797.54 Lacs and total loss after tax of Rs. 709.91 Lacs for the quarter ended September 30, 2016, as considered in the Statement. These financial results are not reviewed by their auditors and have been furnished to us by the Management and our reporting on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on such un-reviewed financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

HARIBHAKTI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Snehal Shah
Partner
Membership No.: 048539

Mumbai
November 10, 2016

JAIN

Jain Irrigation Systems Ltd.

Small Ideas. Big Revolutions.

Regd. Off: Jain Plastic Park, N.H.No.6, Bambhori, Jalgaon - 425001. www.jains.com. CIN : L29120MH1986PLC042028

STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER / HALF YEAR ENDED 30-SEP-2016

₹ in Lacs

	Particulars	Standalone Unaudited					Consolidated Unaudited				
		Quarter ended			Half Year ended		Quarter ended			Half Year ended	
		30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15
1	**Income from Operations**										
	(a) Sales / Income from Operations	72,106	96,296	85,199	168,402	198,740	144,882	168,690	133,419	313,572	296,215
	(b) Other Operating Income	1,033	2,288	1,559	3,321	3,090	1,580	2,628	1,319	4,208	2,850
	Total income from Operations (net)	**73,139**	**98,584**	**86,758**	**171,723**	**201,830**	**146,462**	**171,318**	**134,738**	**317,780**	**299,065**
2	**Expenses**										
	a) Cost of materials consumed	20,777	84,358	44,787	105,135	128,393	63,437	136,848	71,176	200,285	180,525
	b) Purchase of stock-in-trade	-	-	-	-	-	-	-	-	-	-
	c) Changes in Inventories of finished goods,work-in-progress and stock-in-trade Including bio-logical assets	17,786	(29,601)	2,526	(11,815)	(18,324)	10,262	(47,160)	1,103	(36,898)	(19,992)
	d) Excise duty on Sales	2,164	5,226	2,954	7,390	7,781	2,394	5,742	2,954	8,136	7,781
	e) Employees benefits expenses	7,391	5,605	6,235	12,996	12,387	19,479	16,692	15,118	36,171	30,791
	f) Depreciation and amortisation expenses	3,992	4,006	4,689	7,998	9,859	7,379	6,869	6,394	14,248	13,116
	g) **Other expenses**	**13,924**	**17,681**	**16,690**	**31,605**	**40,629**	**31,766**	**36,078**	**28,950**	**67,844**	**64,524**
	i) Manufacturing expenses	5,189	5,330	8,037	10,519	20,888	13,731	14,414	12,122	28,145	27,930
	ii) Selling and distribution expenses	5,383	8,434	5,894	13,817	13,518	9,262	11,335	8,049	20,597	18,197
	iii) Administrative and other expenses	3,600	3,621	4,616	7,221	8,260	10,213	10,348	8,814	20,561	17,993
	iv) Forex fluctuation Loss / (Gain)	(248)	296	(1,857)	48	(2,037)	(1,440)	(19)	(35)	(1,459)	404
	h) Cost of Self Generated Capital Equipment	-	-	-	-	-	(4)	(230)	-	(234)	(10)
	Total expenses	**66,034**	**87,275**	**77,881**	**153,309**	**180,725**	**134,713**	**154,839**	**125,695**	**289,552**	**276,735**
3	Profit from operations before other income, finance costs and exceptional items	7,105	11,309	8,877	18,414	21,105	11,749	16,479	9,043	28,228	22,330
4	Other Income	1,726	969	889	2,695	1,858	1,448	1,313	1,478	2,761	2,073
	- Interest	585	407	568	992	1,453	333	199	335	532	1,017
	- Other	1,141	562	321	1,703	405	1,115	1,114	1,143	2,229	1,056
5	**Profit from ordinary activities before finance costs and exceptional items**	**8,831**	**12,278**	**9,766**	**21,109**	**22,963**	**13,197**	**17,792**	**10,521**	**30,989**	**24,403**
6	Finance costs	9,372	8,342	10,490	17,714	21,040	12,001	10,858	11,872	22,859	24,229
7	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items**	**(541)**	**3,936**	**(724)**	**3,395**	**1,923**	**1,196**	**6,934**	**(1,351)**	**8,130**	**174**
8	Exceptional Items	-	-	-	-	-	-	-	-	-	-
9	**Profit / (Loss) from ordinary activities before tax**	**(541)**	**3,936**	**(724)**	**3,395**	**1,923**	**1,196**	**6,934**	**(1,351)**	**8,130**	**174**
10	Tax expense / (Income)	(1,010)	406	(156)	(604)	296	(1,739)	843	(722)	(896)	(574)
11	**Net Profit / (Loss) from Ordinary Activities after tax**	**469**	**3,530**	**(568)**	**3,999**	**1,627**	**2,935**	**6,091**	**(629)**	**9,026**	**748**
12	Prior period expenses	-	-	-	-	-	-	-	-	-	-
13	**Net Profit from Ordinary Activities after tax**	**469**	**3,530**	**(568)**	**3,999**	**1,627**	**2,935**	**6,091**	**(629)**	**9,026**	**748**
14	Extraordinary items	-	-	-	-	-	-	-	-	-	-
15	**Net Profit / (Loss) for the period**	**469**	**3,530**	**(568)**	**3,999**	**1,627**	**2,935**	**6,091**	**(629)**	**9,026**	**748**
16	Share of Profit in associate Company	-	-	-	-	-	75	65	87	140	163
17	Minority Interest	-	-	-	-	-	(205)	(304)	-	(509)	-
18	**Net Profit / (Loss) after taxes minority interest and share Profit/(Loss) of associate**	**469**	**3,530**	**(568)**	**3,999**	**1,627**	**2,805**	**5,852**	**(542)**	**8,657**	**911**
19	**Other Comprehensive Income / (expenses) (net of tax)**	58	1	4	59	7	(1,037)	258	(237)	(779)	744
20	**Total Comprehensive Income (after tax)**	**527**	**3,531**	**(564)**	**4,058**	**1,634**	**1,768**	**6,110**	**(779)**	**7,878**	**1,655**
21	Paid-up equity share capital (Face value of the Share ₹ 2/-)	9,589	9,530	9,248	9,589	9,248	9,589	9,530	9,248	9,589	9,248
22 i	**Earnings per share (before extraordinary items) (of ₹ 2/- each) (not annualised):**										
	a) Basic	0.09	0.69	(0.13)	0.78	0.35	0.55	1.14	(0.64)	1.69	0.20
	b) Diluted	0.09	0.69	(0.13)	0.78	0.35	0.55	1.14	(0.64)	1.69	0.20
22 ii	**Earnings per share (after extraordinary items) (of ₹ 2/- each) (not annualised) :**										
	a) Basic	0.09	0.69	(0.13)	0.78	0.35	0.55	1.14	(0.64)	1.69	0.20
	b) Diluted	0.09	0.69	(0.13)	0.78	0.35	0.55	1.14	(0.64)	1.69	0.20

Notes:

1) The above results have been taken on record at a meeting by the Audit Committee and the Board of Directors of the Company on 10-Nov-2016.

2) The Statutory auditors have carried out limited review of unaudited Standalone and Consolidated financial results for the quarter ended 30-Sep-2016.

3) The Ind AS compliant corresponding figures in the previous years have not been subjected to review / audit. However, the Company's management has exercised due diligence to ensure that such financials results provide fair view of its affairs. The statement does not include Ind AS compliant results for the preceding year ended 31-Mar-2016 as the same is not mandatory as per SEBI's circular dated 05-Jul-2016.

4) The Company adopted Indian Accounting Standards ("Ind AS") and accordingly the financial results of all periods presented have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The date of transition to Ind AS is 1-Apr-2015. There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31-Mar-2017 due to changes in financial reporting requirement arising from new or revised standards or interpretations issued by Ministry of Corporate Affairs to changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS as permitted under Ind AS 101.

5) During the quarter 2,946,075 Equity Shares of ₹ 2/- each were issued and allotted to eligible employees (including the eligible working Directors) as per ESOP scheme 2005 of the Company.

6) In terms of the approval of the Board of Directors of the Company dated 24-Aug-2015, Shareholders' approval by way of postal ballot and pursuant the Business Transfer Agreement dated 19-Feb-2016 or any supplement or modification thereto, Jain Irrigation Systems Limited had sold the Indian Food Business to Jain Farm Fresh Foods Limited (JFFFL) with effect from close of business hours on 31-Mar-2016 on slump sale basis as a going concern. Pursuant to the slump sale, the entire assets (whether movable or immovable, real or personal, corporeal or incorporeal, tangible or intangible, business and commercial rights, track record, employees etc.) and licenses, permits, certifications, liabilities of the Indian Food Business located in India are sold to JFFFL. Hence the standalone financials are not comparable.

7) Aforesaid reported financials on the standalone basis for the quarter ended 30-Sep-2015, includes the below results of Indian Food Business / Undertaking:

	Particulars	₹ in Lacs
1	Total Income	36,673
2	Operating Expenses	31,287
3	Pre-tax operating profit	5,386
4	Interest Expense	3,430
5	Profit / (loss) before tax	1,956
6	Tax	417
7	Net Profit after tax	1,539
8	Capital employed	103,842

8) Reconciliation of Net Profit as previously reported on account of transition from the previous Indian GAAP to Ind-AS for the quarter / half year ended 30-Sep-2015:

Standalone ₹ in Lacs

	Particulars	Quarter ended 30-Sep-15	Half Year ended 30-Sep-15
	Net Profit / (Loss) as per Indian GAAP	**(2,720)**	**(678)**
a.	On account of fair valuation of Biological assets	(26)	(323)
b.	On account of fair valuation of Investments and Derivatives	893	423
c.	On account of Impairment of trade receivables using lifetime expected loss method	(250)	(482)
d.	On account of availing option to capitalise losses under para 46A from 1-Apr- 2015	2,616	4,907
e.	On account of capitalisation / componentization of inventory items as Property Plant and Equipment	(103)	(806)
f.	Other Items (Net)	(978)	(1,414)
	Revised Net Profit for the period ended	**(568)**	**1,627**

Consolidated ₹ in Lacs

	Particulars	Quarter ended 30-Sep-15	Half Year ended 30-Sep-15
	Net Profit / (Loss) as per Indian GAAP	**(2,948)**	**(1,072)**
a.	On account of adjustments in standalone financials (Net of intragroup transaction elimination)	2,075	2,156
b.	On account of fair valuation of Investments and Derivatives	350	(96)
c.	On account change in functional currency assessment of certain subsidiaries	101	(26)
d.	Other adjustments (Net)	(120)	(51)
	Revised Net Profit for the period ended	**(542)**	**911**

9) The figures have been regrouped, rearranged, reclassified or reworked as necessary to confirm to the current year accounting treatment and are not comparable in view of Note 6 above.

HARIBHAKTI & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Jain Irrigation Systems Ltd. Mumbai

JAIN

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SEGMENT WISE REVENUE RESULTS AND CAPITAL EMPLOYED

₹ in Lacs

	Particulars	Standalone Unaudited					Consolidated Unaudited				
		Quarter ended			Half Year ended		Quarter ended			Half Year ended	
		30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Jun-16	30-Sep-15	30-Sep-16	30-Sep-15
1	**Segment Revenue :**										
	a) Hi-tech Agri Input Products Division	40,176	45,374	35,865	85,550	87,311	70,083	76,433	61,710	146,516	142,498
	b) Plastic Division	28,548	50,079	29,505	78,627	72,112	32,763	54,068	32,344	86,831	77,982
	c) Agro Processing Division	-	-	17,166	-	36,514	37,954	37,646	36,483	75,600	71,379
	d) Other Business Division	4,415	3,131	4,222	7,546	5,893	5,662	3,171	4,201	8,833	7,206
	Total	73,139	98,584	86,758	171,723	201,830	146,462	171,318	134,738	317,780	299,065
	Less : Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
	Income from Operations	**73,139**	**98,584**	**86,758**	**171,723**	**201,830**	**146,462**	**171,318**	**134,738**	**317,780**	**299,065**
2	**Segment Result:**										
	a) Hi-tech Agri Input Products Division	10,373	10,434	7,756	20,807	19,427	10,717	12,081	8,265	22,798	21,966
	b) Plastic Division	2,560	4,892	1,854	7,452	4,961	2,693	5,154	3,296	7,847	5,847
	c) Agro Processing Division	-	-	3,010	-	6,220	2,913	3,166	2,720	6,079	6,767
	d) Other Business Division	752	462	542	1,214	727	641	(144)	(2,711)	497	618
	Total	**13,685**	**15,788**	**13,162**	**29,473**	**31,335**	**16,964**	**20,257**	**11,570**	**37,221**	**35,198**
	Less: i) Interest	9,372	8,342	10,490	17,714	21,040	12,001	10,858	11,872	22,859	24,229
	ii) Other un-allocable expenditure net	4,854	3,510	3,396	8,364	8,372	3,767	2,465	1,049	6,232	10,795
	Profit / (Loss) Before Tax	**(541)**	**3,936**	**(724)**	**3,395**	**1,923**	**1,196**	**6,934**	**(1,351)**	**8,130**	**174**
3	**A) Segment Assets**										
	a) Hi-tech Agri Input Products Division	301,256	297,662	278,343	301,256	278,343	434,885	428,501	410,232	434,885	410,232
	b) Plastic Division	88,299	87,467	76,898	88,299	76,898	113,019	125,023	98,758	113,019	98,758
	c) Agro Processing Division	-	-	138,012	-	138,012	226,960	215,510	196,114	226,960	196,114
	d) Other Business Division	72,873	78,205	62,229	72,873	62,229	84,069	72,736	73,445	84,069	73,445
	e) Un-allocable	210,855	234,330	158,712	210,855	158,712	77,527	73,838	77,324	77,527	77,324
	Total	**673,283**	**697,664**	**714,194**	**673,283**	**714,194**	**936,460**	**915,608**	**855,874**	**936,460**	**855,874**
	B) Segment Liabilities										
	a) Hi-tech Agri Input Products Division	42,503	47,286	43,277	42,503	43,277	116,592	124,483	113,341	116,592	113,341
	b) Plastic Division	36,584	60,108	34,690	36,584	34,690	62,421	83,920	55,964	62,421	55,964
	c) Agro Processing Division	-	-	34,170	-	34,170	128,728	96,723	90,186	128,728	90,186
	d) Other Business Division	10,985	9,310	30,823	10,985	30,823	18,280	15,813	37,238	18,280	37,238
	e) Un-allocable	301,508	304,067	336,628	301,508	336,628	332,747	315,534	346,981	332,747	346,981
	Total	**391,580**	**420,771**	**479,588**	**391,580**	**479,588**	**658,767**	**636,473**	**643,710**	**658,767**	**643,710**

Statement of Assets and Liabilities

₹ Lacs

Particulars	As at 30-Sep-16	
	Standalone	Consolidated
ASSETS		
Non-current assets		
Property, Plant and Equipment	145,364	242,884
Capital work-in-progress	3,097	12,711
Intangible Assets	1,518	5,039
Goodwill on consolidation	-	34,413
Financial Assets		
(i) Investments	114,314	7,266
(ii) Loans	27,273	17,669
(ii) Other financial assets	877	3,661
Deferred tax assets	-	28,836
Other non-current assets	4,188	8,914
Total Non-current assets	**296,631**	**361,393**
Current assets		
Inventories	88,403	237,117
Biological assets other than bearer plants	4,629	4,629
Financial Assets		
(i) Trade Receivables	171,528	215,397
(ii) Cash and cash equivalent	12,132	18,562
(iii) Loans	18,870	3,057
(iv) Other financial assets	3,682	6,826
Current tax assets (Net)	4,642	4,776
Other current assets	72,766	84,703
Total Current assets	**376,652**	**575,067**
Total assets	**673,283**	**936,460**
EQUITY AND LIABILITIES		
EQUITY		
Equity Share capital	9,589	9,589
Other Equity	272,114	268,104
Total Equity	**281,703**	**277,693**
Non-controlling interest	-	7,374
LIABILITIES		
Non - Current liabilities		
Financial Laibilities		
(i) Borrowings	82,667	137,151
(ii) Other financial liabilities	3,299	9,466
Provisions	1,104	1,312
Deferred tax liabilities (Net)	2,665	14,478
Total Non-current Liabilities	**89,735**	**162,407**
Current liabilities		
Financial Laibilities		
(i) Borrowings	158,536	244,495
(ii) Trade payables	70,955	144,976
(iii) Other financial liabilities	60,979	78,308
Other current liabilities	7,566	14,720
Provisions	3,809	6,487
Total Current Liabilities	**301,845**	**488,986**
Total Equity and Liabilities	**673,283**	**936,460**

Segment Note

1) Company has considered business segment for reporting purpose, primarily based on customer category.
   The products considered for the each business segment are:
   a. Hi-Tech Agri Input Products division includes Micro Irrigation Systems, Solar Agri Pump, Integrated Irrigation Projects and Tissue Culture Plants.
   b. Plastic division includes PVC Piping Products, PE Piping Products, Piping Projects and Plastic Sheets.
   c. Agro processing division includes Fruits, Onion Products and Bio-Gas.
   d. Other division includes Solar Thermal Products, Solar Photovoltaic Grid & Off-Grid Products and Solar Power generation, Agri R&D Activities and Equipment manufacturing.
2) The revenue & results figure given above are directly identifiable to respective segments and expenditure on common services incurred at the corporate level are not directly identifiable to respective segments have been shown as "Other Un-allocable Expenditure".
3) The Capital Employed figures given above are directly identifiable to respective segments and Capital Employed for corporate services for head office and investments related to acquisitions have been shown as "Others" unallocated.

HARIBHAKTI & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Jain Irrigation Systems Ltd.
Mumbai

FOR JAIN IRRIGATION SYSTEMS LTD.,

SD/-
ANIL B. JAIN
MANAGING DIRECTOR

MUMBAI, 10-Nov-2016

Independent Auditor's Report

To the Members of Jain Irrigation Systems Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jain Irrigation Systems Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial ;statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at March 31, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

(a) We did not audit the financial statements of twenty one subsidiaries, whose financial statements reflects total assets of ₹ 41,730.97 million as at March 31, 2016, total revenues of ₹ 27,109.11 million and net cash flows amounting to ₹ 1,046.25 million for the year ended on that date, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include Group's share of net profit of ₹ 27.15 million for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of one associate company, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate company, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate company, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors of the Holding Company and subsidiary companies incorporated in India as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associate company and the operating effectiveness of such controls, we give our separate Report in the "Annexure 1".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate company – Refer Note 34 to the consolidated financial statements;

   (ii) The Group and its associate company did not have any long term contract including derivative contract. Hence, the question of any material foreseeable losses does not arise;

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries companies and associate company incorporated in India.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

Sd/-
Snehal Shah
Partner
Membership No. 48539

Date: **May 30, 2016**
Place: **Jalgaon**

Annexure - 1 to the Independent Auditor's Report

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Jain Irrigation Systems Limited on the consolidated financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Jain Irrigation Systems Limited (hereinafter referred to as "the Holding company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating0.5 effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Also, our aforesaid report does not cover one associate company, whose financial statements are unaudited and have been furnished to us by the Management. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

Sd/-
Snehal Shah
Partner
Membership No. 48539

Date : **May 30, 2016**
Place: **Jalgaon**

Consolidated Balance Sheet

As at 31st March 2016

₹ in Million

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	953.03	924.83
Reserves and surplus	3	23,398.25	20,474.15
		24,351.28	**21,398.98**
Minority Interest		692.01	-
Non-current liabilities			
Long term borrowings	4	19,309.62	16,956.88
Deferred tax liabilities (net)	5	1,522.21	1,201.15
Other long term liabilities	6	505.58	372.24
Long term provisions	7	92.19	87.12
		21,429.60	**18,617.39**
Current liabilities			
Short term borrowings	8	21,210.39	22,401.37
Trade payables	9		
Total outstanding dues to Small Enterprises and Medium Enterprises		107.23	30.01
Total outstanding dues to trade payable other than Small Enterprises and Medium Enterprises		13,316.26	13,538.27
Other current liabilities	10	7,986.02	7,284.01
Short term provisions	11	589.23	528.89
		43,209.13	**43,782.55**
TOTAL		**89,682.02**	**83,798.92**
Assets			
Non-current assets			
Fixed assets			
Goodwill on consolidation		2,928.08	2,556.65
Tangible assets	12A	24,617.98	24,531.05
Intangible assets	12B	472.87	519.61
Capital work-in-progress	12C	603.70	525.90
		28,622.63	**28,133.21**
Non-current investments	13	650.13	620.60
Deferred tax assets (net)	5	1,594.83	1,358.40
Long term loans and advances	14	2,954.51	2,951.01
Other non-current assets	15	1,565.02	1,447.37
Current assets			
Current Investment	13A	350.00	-
Inventories	16	19,199.37	18,565.88
Trade receivables	17	22,484.85	19,540.97
Cash and bank balances	18	3,808.15	3,041.11
Short term loans and advances	19	4,520.20	4,631.29
Other current assets	20	3,932.33	3,509.08
		54,294.90	**49,288.33**
TOTAL		**89,682.02**	**83,798.92**

Notes: Notes 1 to 40 are an integral part of the financial statements

As per our report of even date

For Haribhakti & Co. LLP
ICAI Firm Registration No: 103523W
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Snehal Shah
Partner
Membership No: 48539

Sd/-
Avdhut V. Ghodgaonkar
Company Secretary

Sd/-
Anil B. Jain
Managing Director
DIN 0005 3035

Sd/-
Ghanshyam Dass
Director
DIN 01807011

Sd/-
Manoj L. Lodha
CFO

Date : **May 30, 2016**
Place : **Jalgaon**

Date : **May 30, 2016**
Place : **Jalgaon**

Consolidated Statement of Profit and Loss

For the Year Ended at 31st March 2016

₹ in Million

Particulars	Note No.	2015-16	2014-15
Revenue from operations	21	64,513.53	63,092.57
Less: Excise duty		(1,642.20)	(1,566.07)
Revenue from operations (net)		**62,871.33**	**61,526.50**
Other income	22	465.55	410.00
Total revenue		**63,336.88**	**61,936.50**
Expenses			
Cost of material consumed	23	35,699.28	35,617.73
Changes in inventories of finished goods and work in progress	24	(693.11)	(1,160.89)
Employee benefit expenses	25	6,683.82	6,658.36
Finance costs	26	4,768.82	4,692.76
Depreciation and amortisation expense	12	2,635.77	2,440.55
Other expenses	27	13,163.88	12,760.91
Cost of self-generated capital equipments		(79.32)	(146.72)
Total expenses		**62,179.14**	**60,862.70**
Profit before exceptional items and tax		**1,157.74**	**1,073.80**
Exceptional items	27A	190.57	763.01
Profit before tax		**967.17**	**310.79**
Tax expense			
- Current tax	28	24.09	77.72
- Deferred tax	5	84.63	(316.81)
Profit after tax		**858.45**	**549.88**
Prior period expense		0.08	4.42
Profit for the year before minority interest		**858.37**	**545.46**
Share of profit in associate		27.15	8.43
Minority interest		(2.85)	-
Profit for the year		**882.67**	**553.89**
Earnings per share: (Face value ₹ 2 per share)	29		
Basic		**1.91**	**1.21**
Diluted		**1.91**	**1.21**

Notes: Notes 1 to 40 are an integral part of the financial statements

As per our report of even date

For Haribhakti & Co. LLP
ICAI Firm Registration No: 103523W
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Snehal Shah
Partner
Membership No: 48539

Sd/-
Avdhut V. Ghodgaonkar
Company Secretary

Sd/-
Anil B. Jain
Managing Director
DIN 0005 3035

Sd/-
Ghanshyam Dass
Director
DIN 01807011

Sd/-
Manoj L. Lodha
CFO

Date : **May 30, 2016**
Place : **Jalgaon**

Date : **May 30, 2016**
Place : **Jalgaon**

Consolidated Cash Flow Statement

For the Year Ended at 31st March 2016

₹ in Million

Particulars	Note No.	2015-16	2014-15
Cash flow from operating activities:			
Net profit before tax		**967.17**	**310.79**
Adjusted for :			
Depreciation and amortisation expense	12	2,635.77	2,440.55
Amounts written off and provisions		541.18	627.92
Un-realized forex (gain) / loss		(815.37)	(57.20)
Provision for wealth tax		(0.49)	(0.10)
Provision for gratuity and other benefit		34.02	4.16
Loss/(Profit) on asset sale/discarded (net)		(33.72)	(32.34)
Loss/(Profit) on sale of investments		(0.14)	-
Interest and finance charges	26	4,768.82	4,692.77
Provision for doubtful debts and advances written back		(96.42)	(31.68)
Sundry credit balances appropriated		(14.55)	(21.77)
Dividend and interest income		(188.14)	(190.36)
Operating profit before working capital changes		**7,798.13**	**7,742.74**
Changes in working capital:			
(Increase) / Decrease in trade and other receivables		(3,358.69)	(1,957.34)
(Increase) / Decrease in loans and advances and other assets		(374.74)	530.49
(Increase) / Decrease in inventories		(633.49)	(202.01)
Increase / (Decrease) in trade payable, other liabilities and provisions		(46.12)	761.24
Cash flow generated from operations		**3,385.09**	**6,875.12**
Taxes paid		(86.84)	(270.60)
Net cash flow from operating activities		**3,298.25**	**6,604.52**
Cash flow from investing activities:			
Purchase of fixed assets (including changes in CWIP and capital advances)		(2,365.91)	(2,204.73)
Sale of fixed assets		45.82	112.10
Purchase of investment		(352.36)	(10.00)
Acquisition of strategic investment		(371.43)	(356.11)
Share application money paid		-	(10.00)
Interest received		189.96	189.04
Dividend income		0.01	0.02
Net cash flow used in investing activities		**(2,853.91)**	**(2,279.68)**
Cash flow from financing activities:			
Total proceeds by way of issue of shares		1,074.76	-
Investment by Minority shareholders		2,403.13	-
Fixed Deposits placed with Bank		(16.57)	-
Increase/(Decrease) in term loans (net)		3,131.17	1,141.89
Increase/(Decrease) working capital borrowings (net)		(1,190.98)	513.72
Interest and finance charges paid		(4,797.49)	(4,640.93)
Dividend and dividend distribution tax paid		(277.35)	(269.50)
Net cash flow from/(used in) financing activities		**326.67**	**(3,254.82)**
Net increase/(decrease) in Cash and Cash Equivalents		**771.01**	**1,070.02**
Cash and cash equivalents as at the beginning of the year*	18	3,010.00	1,939.98
Cash and cash equivalents as at end of the year *	18	3,781.01	3,010.00
Net increase/(decrease) in Cash and Cash Equivalents		**771.01**	**1,070.02**

₹ in Million

Particulars	Note No.	2015-16	2014-15
*** Cash and cash equivalents**			
Cash on hand		63.33	76.20
Cheques on hand		212.60	-
Bank balances			
- Current accounts		2,493.63	2,906.58
- Unpaid dividend account		10.06	9.13
- Fixed deposits (having maturity less than 3 months)		1,001.39	18.09
		3,781.01	**3,010.00**

As per our report of even date

For Haribhakti & Co. LLP
ICAI Firm Registration No: 103523W
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Snehal Shah
Partner
Membership No: 48539

Sd/-
Avdhut V. Ghodgaonkar
Company Secretary

Sd/-
Anil B. Jain
Managing Director
DIN 0005 3035

Sd/-
Ghanshyam Dass
Director
DIN 01807011

Sd/-
Manoj L. Lodha
CFO

Date : **May 30, 2016**
Place : **Jalgaon**

Date : **May 30, 2016**
Place : **Jalgaon**

Note: Cash Flow Statement is prepared by the "indirect method" set-out in Accounting Standard 3 on "Cash Flow Statement" and presents the Cash Flows by operating, investing and financing activities of the Group.Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand, cheques on hand and unencumbered, highly liquid bank balances.

Notes to the Consolidated Financial Statements

1. Significant accounting policies

A. Basis of preparation of financial statements

The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has prepared these Consolidated financial statements to comply in all material respects with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule (7) of the Companies (Accounts) Rules, 2014 and other provisions of the Act (to the extent notified). The Consolidated Financial Statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles. The Group follows the mercantile systems of accounting and recognises income and expenditure on an accrual basis except stated otherwise.

B. Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

i. The Consolidated Financial Statements have been prepared in accordance with the principles and procedures required for the preparation of Consolidated Financial Statements as laid down under the Accounting Standard (AS-21) - Consolidated Financial Statements, Accounting Standard (AS-23) - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting standard (AS-27) - Financial Reporting of Interests in Joint Ventures as per the Companies (Accounting Standards) Rules, 2006.

ii. Investment in Associate has been accounted for using the equity method in accordance with AS-23. The excess / deficit of cost of investments over the proportionate share in the equity of Associate at the date of acquisition of stake has been identified as Goodwill / Capital Reserve, included in the carrying value of Investment in the Associate, and disclosed separately. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate.

iii. The financial statements of the subsidiaries, Joint Venture and an associate forming part of the Consolidated Financial Statements are drawn up to the same reporting date as that of the Holding Company, i.e. year ended March 31, 2016.

iv. The financial statements of the Holding Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of similar items of assets, liabilities, income and expenses, after eliminating intra -group balances, intra-group transactions and resulting unrealised gains / losses.

v. The Consolidated Financial Statements have been prepared by applying uniform accounting policies for similar transactions, except otherwise stated.

vi. The difference between the costs of investment in subsidiaries, over the net assets at the time of acquisition is recognised in the financial statements as Goodwill / Capital Reserve as the case may be.

vii. Minority interest in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

b) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.

viii. Minority interest's share of net profit of consolidated subsidiaries for the year is identified, wherever applicable, and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Holding Company. Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Holding Company's shareholders.

ix. Subsidiaries & Associates

The Consolidated Financial Statements present the consolidated accounts of Jain Irrigation Systems Ltd. ('the Holding Company'), with its following subsidiaries, joint venture & associate:

Name of the Subsidiaries & Associates	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
	2016	2015	
Subsidiaries			
JISL Overseas Ltd.	100.00%	100.00%	Mauritius
Jain International Trading B.V.	100.00%	100.00%	Netherland
Jain Processed Foods Trading & Investments Pvt. Ltd.	100.00%	-	India
Jain Farm Fresh Foods Ltd.	88.81%	-	India
Driptech India Pvt. Ltd.	75.00%	-	India
Jain (Europe) Ltd.	100.00%	100.00%	United Kingdom
Jain International Foods Ltd. (Erst. SQF 2009 Limited)*	100.00%	100.00%	United Kingdom
Ex-Cel Plastics Limited	100.00%	100.00%	Ireland
Jain America Foods Inc. (Erstwhile Jain (Americas) Inc.)	100.00%	100.00%	United States of America
Jain America Holdings Inc.	100.00%	-	United States of America
Jain Irrigation Holding Inc.	100.00%	100.00%	United States of America
Cascade Specialties Inc.	100.00%	100.00%	United States of America
JIIO (Erstwhile Jain Irrigation Inc.)	100.00%	100.00%	United States of America
Jain Irrigation Inc.	100.00%	-	United States of America
Jain Agricultural Services, LLC.	100.00%	100.00%	United States of America
Point Source Irrigation Inc.	100.00%	100.00%	United States of America
Jain Overseas B.V.	100.00%	100.00%	Netherland
Jain (Israel) B.V.	100.00%	100.00%	Netherland
NaanDanJain Irrigation Ltd. @	100.00%	100.00%	Israel
Gavish Control Systems Ltd.	51.00%	51.00%	Israel
JISL Global S.A.	100.00%	100.00%	Switzerland
JISL Systems S.A.	100.00%	100.00%	Switzerland
Protool AG. #	75.00%	75.00%	Switzerland
THE Machines Yuvnand S.A.	100.00%	100.00%	Switzerland
Jain Sulama Sistemleri Sanayive Ticaret A.S.##	-	100.00%	Turkey
Associates			
Sustainable Agro-Commercial Finance Ltd.^	49.00%	49.00%	India

\# The Holding Company through its step down subsidiaries has the option to buy the balance stake of minority shareholders in these companies at a predetermined price or agreed valuation.

\##From April 01, 2015 Jain Sulama Sistemleri Sanayive Ticaret A.S is being held by NaandanJain Irrigation Ltd., Israel

^ Associate

The stake of Jain Irrigation Systems Ltd. in Sustainable Agro Commercial Finance Ltd. (49.00%) has been consolidated as per AS-23, Accounting for Investment in Associate in Consolidated Financial Statements as per equity method.

***Subsidiaries of Jain International Foods Ltd. (Erstwhile SQF 2009 Ltd.) are as under:**

Name of the subsidiaries	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
	2016	2015	
Sleaford Food Group Ltd.	100.00%	100.00%	United Kingdom
Sleaford Quality Foods Ltd.	100.00%	100.00%	United Kingdom
Arnolds Quick Dried Foods Ltd.	100.00%	100.00%	United Kingdom

@ Subsidiaries & Joint Venture of NaandanJain Irrigation Limited, Israel are as under.

Name of the subsidiary & Joint Venture	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
	2016	2015	
Subsidiaries			
Naan Dan Agro-Pro (Israel Company for Agricultural Applications) Ltd	100.00%	100.00%	Israel
NaanDanJain France Sarl	100.00%	100.00%	France
NaanDanJain Mexico, S.A. De C.V.	100.00%	100.00%	Mexico
NaanDanJain Australia Pty. Ltd.	100.00%	100.00%	Australia
NaanDanJain S.R.L.	100.00%	100.00%	Italy
Naandan Do Brasil Participacoes Ltd.	100.00%	100.00%	Brasil
NaanDanJain Industria E Comercio de Equipmentos Ltd.	100.00%	100.00%	Brasil

Name of the subsidiary & Joint Venture	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
	2016	2015	
NaanDanJain Iberica S.C.	100.00%	100.00%	Spain
NaanDanJain Peru S.A.C	100.00%	100.00%	Peru
Jain Sulama Sistemleri Sanayi Ve Ticaret A.S.##	100.00%	-	Turkey
NaanDanJain Irrigation Projects S.R.L.	100.00%	100.00%	Romania
Joint Venture			
Dansystems S.A	50.00%	50.00%	Chile

From April 01, 2015 Jain Sulama Sistemleri Sanayive Ticaret A.S is being held by NaandanJain Irrigation Ltd., Israel

C. Revenue Recognition

Sale of goods : Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and are recognised net of trade discounts, rebates, sale tax and excise duties.

Sale of services : In contracts involving the rendering of services, the revenue is measured using the proportionate completion method and are recognised net of service tax.

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedents to claims are fulfilled.

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Discount or premium on debt securities held is accrued over the period to maturity.

D. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made which affect the reported amounts of assets / liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based upon Management's best knowledge of current events and actions, actual result could differ from these estimates.

E. Tangible assets and Depreciation / Amortisation

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation:

Depreciation on all the assets have been provided at the rates and in the manner prescribed in Schedule II to the Act on Straight Line Method except green house, shades and poly houses depreciated at 10% and screw barrels used in moulding machine & PVC pipes are depreciated at 12.50% and 25% respectively. The Management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

Significant components of assets of Holding Company having a life shorter than the main asset, if any is depreciated over the shorter life. Depreciation on additions to assets or on sale / disposal of assets is calculated from the beginning of the month of such addition or up to the month of such sale / scrapped, as the case may be. Leasehold Land is amortised over the period of lease.

In case of the subsidiaries as mentioned below the rate schedule, Depreciation is computed on the straight line basis over the useful life of the asset at annual rates as follows:

	%
Land and Building	1-10
Machinery and equipment	1-15
Motor Vehicles	2-15

I. NaanDanJain Irrigation Limited
II. Sleaford Quality Foods Limited
III. Jain (Europe) Limited
IV. Gavish Control Systems Limited

F. Intangibles

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the Management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Computer Software, Trade Mark and Development costs, Technical Knowhow etc. are amortised over a period of 5 years from the date of acquisition. Goodwill arising on acquisition of business has been amortised over the period of 10 years from the date of acquisition. Non-compete fees and water rights are amortised over a period of 10 year.

G. Orchard activities

Orchard expenditure is amortised over a period of 15 years commencing from the 6^{th} year from the date of planting. Orchard mortality during first two years of planting up to 10% is considered normal and any mortality after second year is charged to Statement of Profit and Loss.

H. Capital work in progress

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount expended up to the date of Balance Sheet.

I. Lease

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

J. Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

K. Investments

Long-term investments are carried at 'cost'. However, the provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

L. Inventory valuation

Raw Materials, components, stock in Process and finished goods are valued at cost or net realizable value whichever is lower. Finished goods at factory premises and depots are valued at inclusive of excise duty. Stores, spares and consumables are valued at cost except certain spares are valued at cost or its fair value whichever is lower. Goods / Materials in transit are valued at cost to date.

Cost comprises cost of purchase, cost of conversion and other cost incurred in bringing the inventory to present location and condition. Cost is arrived at on weighted average basis. Stock for demonstration lying with third parties at sites is valued at the estimated value of its useful life in relation to its original cost at the time of transfer to the third party.

M. Foreign currency transactions

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

Monetary items in the form of loans, current assets and current liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average exchange rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year.

The exchange difference arising on consolidation is recognised in the foreign currency translation reverse.

In case of foreign subsidiaries that have been identified as integral foreign operations, revenue items are translated at the average exchange rate. Monetary items are reported using the closing rate. Non-monetary items are reported using the exchange rate at the date of transaction. The exchange difference arising on consolidation is recognised in the Statement of Profit and Loss account.

Foreign exchange differences on long term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset and in other cases, if any, accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of the asset or liability.

N. Foreign currency derivative contracts

The Group is exposed to foreign currency fluctuations on foreign currency assets and liabilities and forecasted cash flows denominated in foreign currency. In order to limit the effects of foreign exchange rate fluctuations, the Group enters into derivative contracts, viz. forward contracts, option contracts, etc., with banks under its risk management policies.

In absence of any specific accounting treatment prescribed in the applicable Accounting Standards to such derivative contracts, other than forward contracts, the Group is applying the principles as set out in Accounting Standard 30 – Financial Instruments - Recognition and Measurement issued by The Institute of Chartered Accountants of India for such instruments, to the extent they do not conflict with existing Accounting Standards and other authoritative pronouncements of Company Law and other regulatory requirements.

Accordingly, the Group records the gain or loss on effective hedges in the Hedging Reserve until the transactions are complete. On completion, the gain or loss is transferred to the Statement of Profit and Loss of that period. To designate a contract as an effective hedge, management objectively evaluates at the inception of each contract whether the contract is effective in achieving off setting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, the gain or loss is immediately recognised in the Statement of Profit and Loss.

O. Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions are complied. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds. Revenue grants are recognised in the Statement of Profit and Loss in accordance with the related scheme and in the period in which these are accrued.

P. Employee benefits

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Group, is deducted from the gross obligation. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year and are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

Q. Shares/ Bonds/Debentures issue expenses and premium on redemption

Shares/ bonds/ debenture issue expenses and premium on redemption of debentures, preference shares and bonds are adjusted against the balance in "Securities Premium Account" in accordance with provisions of Section 52 of the Act.

R. Tax provision

Income-tax expense comprises Current Tax and Deferred tax charge or credit. Provision for current tax is made on the assessable Income at the tax rate applicable to the relevant assessment year.

Minimum Alternate Tax (MAT) paid in accordance with the Tax Laws, which gives rise to future economic benefits in the form of adjustment of future Income tax liabilities, is considered as an asset, when there is convincing evidence that the Group will pay normal income tax.

The deferred tax asset and/or deferred tax liability; is calculated by applying the tax rates and tax laws enacted or substantively enacted as at Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognised in view of the Managements' assessment of virtual certainty of its realisation, deferred tax adjustment on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, carrying amount of deferred asset/liability is reviewed and the necessary adjustment to asset or liability is made.

S. Provisions

A provision is recognised when there is present obligation as a result of past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation. These are reviewed at each year end and adjusted to reflect the best current estimates.

T. Impairment of assets

At each Balance Sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. Reversal of impairment loss is recognised immediately as income in the Statement of Profit and Loss.

U. Employees stock options and shares plan (ESOP)

In accordance with SEBI guidelines, the excess of the market price of the shares at the date of grant of options under the ESOP, over the exercise price, is treated as Employee Compensation Expense and amortised on a straight-line basis over the vesting period of options.

2. Share Capital

Particulars	Number of shares		₹ in Million	
	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015
Authorised				
Equity shares of ₹ 2 each (PY @ ₹ 2 each)	926,500,000	926,500,000	1,853.00	1,853.00
Redeemable preference shares of ₹ 100 each (PY ₹ 100 each)	5,000,000	5,000,000	500.00	500.00
Equity shares of ₹ 2 each with Differential voting rights (PY ₹ 2 each)	310,000,000	310,000,000	620.00	620.00
Total			**2,973.00**	**2,973.00**
Issued, subscribed and fully paid up:				
Equity shares: Face value of ₹ 2 each				
Outstanding as at the beginning of the year	443,119,978	443,119,978	886.24	886.24
Addition by Conversion of Share Warrants (Refer note (d) below)	14,100,000	-	28.20	-
[A] Sub-total	**457,219,978**	**443,119,978**	**914.44**	**886.24**
[B] Shares issued under Differential Voting Rights (DVR)				
Shares outstanding at the beginning of the year	19,294,304	19,294,304	38.59	38.59
[B] Sub-total	**19,294,304**	**19,294,304**	**38.59**	**38.59**
Outstanding as at the end of the year [A] + [B]	**476,514,282**	**462,414,282**	**953.03**	**924.83**

a) Rights, preferences and restrictions attached to equity shares

Each holder of Ordinary Equity Shares is entitled to one vote per share. They have right to receive dividend proposed by the Board of Directors and approved by the Shareholders in the Annual General Meeting, right to receive annual report and other quarterly/half yearly/annually reports/notices and right to get new shares proportionately in case of issuance of additional shares by the Holding Company.

In the event of liquidation of the Holding Company, the holders of Equity Shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Ordinary Equity Shares held by the Shareholders. The Holding Company has a first and paramount lien upon all the Ordinary Equity Shares.

b) Terms and conditions of differential voting rights (DVR)

The DVR equity shareholders have the same rights as the Ordinary Equity Shares of the Holding Company except voting rights. Every 10 DVR equity shares have one voting right on poll (on show of hands however, they carry 1 vote for every person voting). Any DVR holder holding less than 10 DVR equity shares hold fractional voting rights. The DVR equity shares have right to receive full dividend, to receive annual report and other information/correspondence from time to time, to receive bonus and/or rights shares of the same class of shares as and when such an issue is made in respect of Ordinary Equity Shares and in the same ratio and terms.

In case of buy back or reduction of capital of Ordinary Equity Shares, the DVR equity shares have right subject to buyback or reduction on the same terms as Ordinary Equity Shares. Further, in case of issue of Ordinary Equity Shares or any other securities or assets to Ordinary Equity Shares in case of amalgamation/ demerger/ re-organisation/reconstruction, the DVR equity shares have right to receive DVR equity shares and any other securities/assets as issued to Ordinary Equity Shares. They have right to hold separate class meeting if their rights are affected in any manner adversely.

c) Refer Notes 1(U) and 30A for disclosure related to employee stock option plan

d) Pursuant to resolution passed by the Board of Directors of the Holding Company at the meeting held on March 24, 2016,the Holding Company has allotted 14,100,000 Ordinary Equity Shares of ₹ 2 each at a premium of ₹ 78 each in conversion of 14,100,000 equity warrants of ₹ 80 each to promoter group entity on preferential basis.

e) Pursuant to the shareholders' approval on December 3, 2015, the Holding Company has on March 11, 2016 issued and allotted 36,200,000 Compulsorily Convertible Debentures (CCDs) of ₹ 80 each to Mandala Rose Co-investment Limited , Mauritius ('investor'). The CCDs shall be converted into Equity Shares at a conversion price of ₹ 80 per Equity Share. Till conversion, CCDs shall carry interest at the rate of 5% per annum. CCDs shall be converted within 18 months.

The CCDs are raised for the purpose of repayment of borrowings of the Company and for consummation of the transactions contemplated under the investment agreements with the investor. The CCDs have been classified as a part of "Long Term Borrowings" as per provisions of Schedule III of the Act.

In Jain Farm Fresh Foods Ltd., subsidiary of the Company has allotted 2,088,397 Compulsory Convertible Debentures (CCDs) of ₹ 770.365 each aggregating to ₹ 1,608.83 million (Yield to maturity for debentures under this category is 1% payable annually). CCD Holder has option to convert debentures into equity shares within 60 months starting from March 30, 2016.

f) Shareholders holding more than 5% of Equity Share Capital/Equity Share Capital with differential voting rights

(Equity shares of ₹ 2 each)

Name of the Shareholder	31-Mar-2016				31-Mar-2015			
	Ordinary Equity Shares		DVR		Ordinary Equity Shares		DVR	
	Number of shares	% age of holding	Number of shares	% age of holding	Number of shares	% age of holding	Number of shares	% age of holding
Jalgaon Investments Pvt. Ltd.	104,105,000	22.80%	4,830,250	25.03%	104,105,000	23.49%	4,830,250	25.03%
MKCP Institutional Investor (Mauritius) II Ltd.	35,154,335	7.70%	-	-	35,154,335	7.93%	-	

₹ in Million

Particulars	31-Mar-2016	31-Mar-2015
3. Reserves and Surplus		
Capital reserve		
Balance at the beginning of the year	743.91	743.91
Add: Capital reserve on consolidation	1,713.97	-
Balance at the end of the year	**2,457.88**	**743.91**
Capital redemption reserve		
Balance at the beginning of the year	896.72	896.72
Balance at the end of the year	**896.72**	**896.72**
Securities premium reserve		
Balance at the beginning of the year	10,538.71	10,538.71
On issue of 14,100,000 equity shares of ₹ 78/- each (refer note 2(d))	1,099.80	-
Less: Equity Share issue expenses	(53.24)	-
Balance at the end of the year	**11,585.27**	**10,538.71**
Share options outstanding account (refer note 1 (U) and 30A)		
Balance at the beginning of the year	29.59	29.59
Balance at the end of the year	**29.59**	**29.59**
General Reserve		
Balance at the beginning of the year	2,085.94	2,070.12
Add: Transferred from Statement of Profit and Loss	26.38	15.82
Balance at the end of the year	**2,112.32**	**2,085.94**
Foreign currency translation reserve		
Balance at the beginning of the year	71.00	573.64
Movement during the year	(432.34)	(502.64)
Balance at the end of the year	**(361.34)**	**71.00**
Surplus		
Balance at the beginning of the year	6,108.28	5,977.97
Profit for the year	882.67	553.89
Transferred to general reserve	(26.38)	(15.82)
Transitional effect of depreciation	-	(187.40)
Deferred tax expenses on above	-	57.91
Proposed equity dividend (CY ₹ 0.50 per share) (PY ₹ 0.50 per share)	(238.26)	(231.21)
Provision for dividend tax on equity dividend	(48.50)	(47.06)
Balance at the end of the year	6,677.81	6,108.28
TOTAL	**23,398.25**	**20,474.15**
4. Long term borrowings		
Term Loans (secured)		
- From banks	5,407.50	5,563.46
- From others	8,854.00	9,881.76
Deferred Credit from Supplier (unsecured)	910.33	1,253.01
Foreign Currency Convertible Bonds(FCCB-unsecured)	3,316.65	3,129.54
Compulsory Convertible Debentures (CCDs) (Unsecured)	4,504.83	-
Other loans (unsecured)	45.38	79.74
Current maturities of long term borrowings (refer note 10)	(3,729.07)	(2,950.63)
TOTAL	**19,309.62**	**16,956.88**
5. Deferred tax asset and liability		
Deferred tax liability (Net)		
Depreciation	2,259.57	2,529.36
Disallowances under section 43B of the Income Tax Act, 1961	(218.61)	(54.87)
Carried forward business losses	(446.71)	(1,125.00)
Other current assets/ liabilities	(72.04)	(148.34)
Net deferred tax liability at the end of the year	**1,522.21**	**1,201.15**

₹ in Million

Particulars	31-Mar-2016	31-Mar-2015
Deferred tax asset and liability Contd...		
Deferred tax asset (Net)		
Depreciation	(90.94)	(191.86)
Disallowances under section 43B of the Income Tax Act,1961	35.20	-
Carried forward business losses	1,580.57	1,326.52
Other current assets/ liabilities	70.00	223.74
Net deferred tax asset at the end of the year	**1,594.83**	**1,358.40**
Net deferred tax (assets)/liabilities at the end of year	(72.62)	(157.25)
Net deferred tax (assets)/liabilities at the beginning of year	(157.25)	217.47
Transitional effect of depreciation adjusted against reserves and surplus	-	57.91
Deferred tax expense / (Credit) for the year	**84.63**	**(316.81)**
6. Other long term liabilities		
Derivative liability	88.04	68.39
Premium on FCCB redemption	291.72	190.59
Other liabilities	125.82	113.26
TOTAL	**505.58**	**372.24**
7. Long term provisions		
Provision for employee benefits		
- Gratuity and other employee benefits [refer note 1(P)]	24.03	22.63
- Leave Encashment	68.16	64.49
TOTAL	**92.19**	**87.12**
8. Short term borrowings		
Working capital loan (secured) - From banks	20,854.46	21,007.22
Other loans (unsecured) - From other parties	355.93	1,394.15
TOTAL	**21,210.39**	**22,401.37**
9. Trade payables		
Trade payables		
Total outstanding dues to Small Enterprises and Medium Enterprises (refer note 31A)	107.23	30.01
Total outstanding dues to trade payables other than Small Enterprises and Medium Enterprises	13,316.26	13,538.27
TOTAL	**13,423.49**	**13,568.28**
10. Other current liabilities		
Current maturities of long term borrowings(refer note 4)	3,729.07	2,950.63
Current maturities of long term liabilities	-	5.37
Interest accrued but not due on borrowings	229.86	258.54
Unpaid dividend^	10.06	9.13
Advances from customers	1,516.34	1,420.05
Payable against slump sale	-	436.39
Outstanding liability for expenses	1,097.55	768.01
Security deposits	409.88	376.47
Statutory liabilities	243.81	289.46
Liability towards employee benefits (includes director's commission)	425.04	351.88
Excise duty on year end finished goods	130.60	110.67
Creditors for capital goods (other than Small Enterprises and Medium Enterprises)	77.77	150.10
Income received in advance	40.49	23.87
Others (includes overdrawn bank balances)	75.55	133.44
TOTAL	**7,986.02**	**7,284.01**
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund.		
11. Short term provisions		
Provision for employee benefits:		
- Gratuity and other employee benefits [refer note 1(P)]	209.66	180.69
- Leave encashment	6.34	6.36
Income tax - current tax (net of advance tax)	86.47	63.08
Wealth tax	-	0.49
Proposed equity dividend	238.26	231.21
Dividend tax on proposed equity dividend	48.50	47.06
TOTAL	**589.23**	**528.89**

12. [A] Tangible assets as on 31st March, 2016 [refer note 1(E), 1(G) and 1(T)]

₹ in Million

Particulars	Gross Block						Depreciation						Net Block	
	As at 1-Apr-15	Acquisition/ Amalgamation	Addition For the Year [3] & [4]	Adjusted/ disposal	Translation difference	As at 31-Mar-16	As at 01-Apr-15	Acquisition/ Amalgama-tion	Adjusted/ Written Back	For the year	Translation difference	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Free hold land	1,678.60	-	102.10	-	44.85	1,825.55	-	-	-	-	-	-	1,825.55	1,678.60
Lease hold land	5.01	-	-	(0.06)	-	4.95	-	-	-	-	-	-	4.95	5.01
Factory buildings and godowns	6,240.44	-	291.48	(0.25)	29.70	6,561.37	1,460.24	-	-	293.13	(40.40)	1,712.97	4,848.40	4,780.20
Green/poly/shed houses	383.96	-	42.56	-	-	426.52	182.01	-	-	33.59	-	215.60	210.92	201.95
Plant and equipment's	29,120.80	8.31	1,661.77	(22.31)	(14.32)	30,754.25	12,205.57	4.03	(10.53)	2,002.05	(287.81)	13,913.31	16,840.94	16,915.23
Furniture and fixtures	531.05	1.00	27.35	-	2.69	562.09	429.28	0.86	0.00	28.99	5.35	464.48	97.61	101.77
Vehicles	564.77	-	31.94	(0.40)	(27.31)	569.00	357.87	-	(0.38)	61.07	(24.93)	393.63	175.37	206.90
Office equipment	379.01	1.57	10.06	-	(54.65)	335.99	285.87	1.24	-	29.17	(54.90)	261.38	74.61	93.14
Live stock	0.42	-	-	-	-	0.42	-	-	-	-	-	-	0.42	0.42
Orchard activities	251.54	-	-	-	-	251.54	63.70	-	-	19.28	-	82.98	168.56	187.84
Leasehold improvements	600.78	-	35.84	-	(31.98)	604.64	240.79	-	-	41.42	(48.22)	233.99	370.65	359.99
TOTAL	**39,756.38**	**10.88**	**2,203.10**	**(23.02)**	**(51.02)**	**41,896.32**	**15,225.33**	**6.13**	**(10.91)**	**2,508.70**	**(450.91)**	**17,278.34**	**24,617.98**	**24,531.05**

Tangible assets as on 31st March, 2015

Particulars	Gross Block						Depreciation						Net Block
	As at 1-Apr-14	Acquisition/ Amalgama-tion	Addition For the Year [3] & [4]	Adjusted/ disposal	Translation difference	As at 31-Mar-15	As at 01-Apr-14	Acquisition/ Amalgama-tion	Adjusted/ Written Back	For the year	Translation difference	As at 31-Mar-15	As at 31-Mar-15
Free hold land	1,649.69	-	33.96	-	(5.05)	1,678.60	-	-	-	-	-	-	1,678.60
Lease hold land	5.07	-	-	(0.06)	-	5.01	-	-	-	-	-	-	5.01
Factory buildings and godowns	5,785.84	-	457.59	-	(2.99)	6,240.44	1,113.25	-	66.20	278.50	2.29	1,460.24	4,780.20
Green/poly/shed houses	358.71	-	25.25	-	-	383.96	150.97	-	-	31.04	-	182.01	201.95
Plant and equipment's	27,861.66	2.42	1,757.27	(54.75)	(445.80)	29,120.80	10,572.20	2.20	(8.98)	1,787.03	(147.18)	12,205.57	16.915.23
Furniture and fixtures	548.92	0.48	22.99	(7.60)	(33.74)	531.05	434.50	0.48	(0.21)	23.23	(28.72)	429.28	101.77
Vehicles	582.46	0.10	22.79	(31.78)	(8.80)	564.77	319.90	0.08	(28.04)	72.13	(6.20)	357.87	206.90
Office equipment	366.92	0.31	21.19	(8.18)	(1.97)	379.01	186.78	-	42.36	58.99	(2.26)	285.87	93.14
Live stock	0.42	-	-	-	-	0.42	-	-	-	-	-	-	0.42
Orchard activities	251.54	-	-	-	-	251.54	44.42	-	-	19.28	-	63.70	187.84
Leasehold improvements	627.36	0.08	14.45	(33.80)	(7.31)	600.78	212.36	0.13	(4.18)	40.66	(8.18)	240.79	359.99
TOTAL	**38,038.59**	**3.39**	**2,356.23**	**(136.17)**	**(505.66)**	**39,756.38**	**13,034.68**	**2.89**	**67.15**	**2,310.86**	**(190.25)**	**15,225.33**	**24,531.05**

[B] Intangible assets as on 31st March, 2016 [refer note 1(F)]

₹ in Million

Particulars	Gross Block						Amortisation						Net Block	
	As at 01-Apr-15	Acquisition/ Amalgamation	Addition For the Year	Adjusted/ Disposal	Translation difference	As at 31-Mar-16	As at 01-Apr-15	Acquisition/ Amalgamation	Adjusted/ Written Back	For the year	Translation difference	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Goodwill	304.96	-	-	-	5.20	310.16	135.48	-	-	60.13	(3.62)	191.99	118.17	169.48
Trademarks	43.20	-	0.62	-	(5.37)	38.45	30.16	-	-	4.21	(12.67)	21.70	16.75	13.04
Computer software	255.04	-	85.81	-	9.20	350.05	172.66	-	-	45.72	(16.27)	202.11	147.94	82.38
Technical knowhow	12.76	-	8.34	-	-	21.10	7.07	-	-	2.66	-	9.73	11.37	5.69
Patents	64.50	-	4.00	-	5.95	74.45	12.34	-	-	3.13	0.09	15.56	58.89	52.16
Licensing agreement	54.77	-	-	(54.77)	-	-	54.77	-	(54.77)	-	-	-	-	-
Non-Compete fees	84.12	-	-	-	(25.41)	58.71	73.38	-	-	2.59	(31.28)	44.69	14.02	10.74
Product development	456.54	-	8.66	-	(32.84)	432.36	334.28	-	-	11.42	37.28	382.98	49.38	122.26
Water Rights	75.13	-	-	-	-	75.13	11.27	-	-	7.51	-	18.78	56.35	63.86
TOTAL	**1,351.02**	**-**	**107.43**	**(54.77)**	**(43.27)**	**1,360.41**	**831.41**	**-**	**(54.77)**	**137.37**	**(26.47)**	**887.54**	**472.87**	**519.61**
Grand Total	**41,107.40**	**10.88**	**2,310.53**	**(77.79)**	**(94.29)**	**43,256.73**	**16,056.74**	**6.13**	**(65.68)**	**2,646.07**	**(477.38)**	**18,165.88**	**25,090.85**	**25,050.66**
[C] Capital work in progress (refer note 1(H))													**603.70**	**525.90**

Intangible assets as on 31st March, 2015

Particulars	Gross Block						Amortisation						Net Block
	As at 01-Apr-14	Acquisition/ Amalgamation	Addition For the Year	Adjusted/ Disposal	Translation difference	As at 31-Mar-15	As at 01-Apr-14	Acquisition/ Amalgamation	Adjusted/ Written Back	For the year	Translation difference	As at 31-Mar-15	As at 31-Mar-15
Goodwill	246.01	49.12	-	-	9.83	304.96	79.74	-	-	51.75	3.99	135.48	169.48
Trademarks	43.06	-	-	-	0.14	43.20	31.32	-	-	0.23	(1.39)	30.16	13.04
Computer software	256.17	-	22.34	(7.39)	(16.08)	255.04	132.84	0.08	(0.88)	51.39	(10.77)	172.66	82.38
Technical knowhow	12.76	-	-	-	-	12.76	5.02	-	-	2.05	-	7.07	5.69
Patents	57.27	4.67	7.81	-	(5.25)	64.50	10.61	-	-	2.91	(1.18)	12.34	52.16
Licensing agreement	52.59	-	-	-	2.18	54.77	52.01	-	-	0.58	2.18	54.77	-
Non-Compete fees	81.67	-	-	-	2.45	84.12	74.55	-	-	2.42	(3.59)	73.38	10.74
Product development	458.48	5.70	0.66	-	(8.30)	456.54	317.88	-	(0.57)	25.19	(8.22)	334.28	122.26
Water Rights	75.13	-	-	-	-	75.13	3.76	-	-	7.51	-	11.27	63.86
TOTAL	**1,283.14**	**59.49**	**30.81**	**(7.39)**	**(15.03)**	**1,351.02**	**707.73**	**0.08**	**(1.45)**	**144.03**	**(18.98)**	**831.41**	**519.61**
Grand Total	**39,321.73**	**62.88**	**2,387.04**	**(143.56)**	**(520.69)**	**41,107.40**	**13,742.41**	**2.97**	**65.70**	**2,454.89**	**(209.23)**	**16,056.74**	**25,050.66**
[C] Capital work in progress													**525.90**

1) Building includes tenancy rights gross value CY ₹ 42.55 million (PY ₹ 42.55 million)
2) Depreciation of ₹ 10.30 Million (PY ₹ 14.35 million) on heavy vehicles being used for site development during the year is capitalized.
3) Fixed assets addition during the year includes cost of self-constructed assets amounting to ₹ 565.44 million (PY ₹ 644.33 million)
4) Additions during the year of plant and machinery have been reduced by ₹ 6.08 million (PY nil) on account of subsidy.

Particulars	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015
		Numbers		₹ in Million
13. Non-current investments [refer note 1(K)]				
Investment in equity instruments (quoted) – (Non Trade)				
(Equity shares of ₹ 10 each – fully paid)				
Reliance Industries Ltd.	90	90	0.00	0.00
Reliance Communication Ltd.	45	45	0.00	0.00
Reliance Infrastructure Ltd.	3	3	0.00	0.00
Reliance Capital Ltd.	2	2	0.00	0.00
Reliance Power Ltd	11	11	0.00	0.00
Finolex Industries Ltd.	75	75	0.00	0.00
Union Bank of India	908	908	0.11	0.11
			0.11	**0.11**
Investments in equity instruments fully paid (unquoted) (Non Trade)				
Shares of Astitwa Co-Op. Housing Society Ltd.	25	25	0.00	0.00
Shares of ₹ 100 each of Sarjan Members Association	5	5	0.00	0.00
Shares of ₹ 50 each of Rajdeep Vrundavan Co-Op. Housing Society	15	15	0.00	0.00
Shares of Edlabad Sut Girni Co-Operative Society Ltd.	200	200	0.00	0.00
Shares of ₹ 250 each of Shrinathjee Co-Op. Housing Society Ltd.	20	20	0.01	0.01
Sustainable Agro Comm.Fin.Ltd. Equity Shares of ₹ 10/-each fully paid up #				
Investment in SAFL 588.01				
Add : Share of Profit 35.56	58,800,000	58,800,000	623.57	596.44
Linking Shares of ₹ 25 each of Jalgaon Janta Sahakari Bank Ltd.	1,849	1,849	0.04	0.04
			623.61	**596.49**
Investment in government or trust securities (unquoted) (Non Trade)				
National saving certificates			0.01	0.01
Indira vikas patra			0.00	0.00
			0.01	0.01
Investment in mutual funds / bonds - (Non Trade)				
Canara Robaco Capital Protection oriented fund Series III Growth @ ₹10 each (NAV ₹10.03 million)	900,000	900,000	9.00	9.00
Canara Robaco Capital Protection oriented fund Series II Growth @ ₹10 each (NAV ₹ 3.09 million)	249,990	-	2.50	-
Industrial Finance Corporation of India Ltd.NCD @1,000 each (NAV ₹ 5.22 million)	5,000	5000	5.00	5.00
Units of YES Bank - II Tier NC Bond @10 Lacs each (NAV ₹10.32 million)	10	10	10.00	10.00
TOTAL			**650.24**	**620.60**
Less Provision for diminution in the value of investments			(0.11)	-
GRAND TOTAL			**650.13**	**620.60**
Aggregate amount of quoted investments				
(Market value ₹ 0.12 million, PY ₹ 0.23 million)			0.11	0.11
Aggregate amount of unquoted investments			650.03	620.49

Subsidiary till March 30, 2015 & associate company thereafter

₹ in Million

Particulars	31-Mar-2016	31-Mar-2015
13A Current Investments		
In Mutual Fund Quoted		
166,690,773 units of reliance Liquid Fund @ ₹ 2,000.70 each (NAV ₹ 350 Million)	350.00	-
TOTAL	**350.00**	**-**

₹ in Million

	Particulars	31-Mar-2016	31-Mar-2015
14.	**Long term loans and advances** (unsecured, considered good)		
	Capital advances	412.95	429.84
	Security deposits - Others	1,711.45	1,702.62
	Advance tax (net of provisions)	440.15	353.53
	Prepaid expenses	233.59	287.79
	Advances recoverable in cash or kind or for value to be received		
	Others	156.37	177.23
	TOTAL	**2,954.51**	**2,951.01**
15.	**Other non-current assets**		
	Incentive receivables	214.57	236.09
	MAT credit entitlement	1,105.53	1,082.07
	Share application money	17.50	17.50
	Foreign Currency Monetary Translation Reserve (Refer Note 38)	203.08	-
	Fixed deposit having maturity more than 12 months	24.32	3.78
	Others	0.02	107.93
	TOTAL	**1,565.02**	**1,447.37**
16.	**Inventories**		
	Raw materials and components	4,307.80	5,058.39
	Raw material in transit	491.63	268.44
	Work-in-Progress	269.69	195.30
	Finished goods	12,976.64	12,337.37
	Finished goods in transit	65.54	14.39
	Stores and spares	1,083.88	667.85
	Stores and spares in transit	4.19	24.14
	TOTAL	**19,199.37**	**18,565.88**
	Please refer note 1(L) for mode of valuation of inventory		
17.	**Trade receivables**		
	Unsecured		
	Trade receivables outstanding for a period exceeding six months from the due date of payment		
	Good	5,957.78	5,457.69
	Considered doubtful	931.63	764.07
	Less: Provision for doubtful debts	(931.63)	(764.07)
	Other Trade receivables - considered good	16,527.07	14,083.28
	TOTAL	**22,484.85**	**19,540.97**
18.	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	63.33	76.20
	Cheques on hand	212.60	-
	Bank balances		
	- Current accounts	2,493.63	2,906.58
	- Unpaid dividend account	10.06	9.13
	- Fixed deposits (having maturity less than 3 months)	1,001.39	18.09
		3,781.01	**3,010.00**
	Other bank balances		
	Fixed deposits (having maturity value more than 3 months but less than 12 months)	0.92	-
	In margin accounts	26.22	31.11
	TOTAL	**3,808.15**	**3,041.11**

₹ in Million

	Particulars	31-Mar-2016	31-Mar-2015
19	**Short term loans and advances** (unsecured, considered good)		
	Security deposits	9.17	-
	Advances recoverable in cash or kind or for value to be received:		
	Trade purchases	3,164.63	3,289.13
	Others (including prepaid expenses, employee advances etc.)	1,328.80	1,337.14
	Balance with collectorate of Central Excise and Customs	17.60	5.02
	TOTAL	**4,520.20**	**4,631.29**
20.	**Other current assets**		
	Claims receivables	1,613.46	1,533.86
	Incentive receivable	1,248.58	1,147.00
	Derivative assets	42.02	-
	Interest receivable	5.17	6.99
	Other current assets	1,023.10	821.23
	TOTAL	**3,932.33**	**3,509.08**

₹ in Million

	Particulars	2015-16	2014-15
21.	**Revenue from operations** [refer note 1(c)]		
	Sale of products	70,344.63	67,452.26
	Sales return	(1,091.78)	(988.88)
		69,252.85	**66,463.38**
	Other discounts and allowances	(6,333.59)	(6,006.02)
		62,919.26	**60,457.36**
	Sale of services	922.28	1,616.57
		63,841.54	**62,073.93**
	Other operating revenues		
	Incentives and assistances	671.99	1,018.64
	TOTAL	**64,513.53**	**63,092.57**
22.	**Other income**		
	Dividend income	0.01	0.02
	Interest on deposits and others [refer note 1(c)]	188.14	190.34
	Profit on sale of fixed assets (net)	33.72	32.34
	Profit on sale of investments	0.14	-
	Sundry balances appropriated [refer note 1(c)]	14.55	21.77
	Provisions no longer required	96.42	31.68
	Income from other services	0.02	0.09
	Miscellaneous income	132.55	133.76
	TOTAL	**465.55**	**410.00**
23.	**Cost of material consumed**		
	Raw Materials (including packaging materials)		
	Opening stock	5,058.39	4,592.56
	Addition on acquisition of business	-	8.02
	Purchases	34,948.69	36,075.54
		40,007.08	**40,676.12**
	Closing stock	(4,307.80)	(5,058.39)
	TOTAL	**35,699.28**	**35,617.73**

₹ in Million

	Particulars	2015-16	2014-15
24.	**Changes in inventories of finished goods and work in progress**		
	Closing stock		
	- Finished goods (excludes material in transit)	12,976.64	12,337.37
	- Work in process	269.69	195.30
		13,246.33	**12,532.67**
	Opening stock		
	- Finished goods	(12,337.37)	(11,117.77)
	- Work in process	(195.30)	(254.32)
		(12,532.67)	**(11,372.09)**
	Increase /(decrease) in excise duty finished goods	(20.55)	0.31
	TOTAL	**(693.11)**	**(1,160.89)**
25.	**Employee benefit expenses**		
	Salaries, wages, bonus, gratuity etc.	6,171.34	6,173.29
	Contribution to provident and other funds (Refer Note 30)	222.14	208.96
	Gratuity expenses (Refer Note 30)	29.89	27.06
	Staff welfare expenses	260.45	249.05
	TOTAL	**6,683.82**	**6,658.36**
26.	**Finance costs**		
	Interest Expense		
	- Interest on term loans	1,335.87	1,099.53
	- Interest on working capital loans	2,407.25	2,520.99
	- Interest on others	97.33	93.21
	Other Borrowing Costs		
	- Discounting charges and interest	514.67	554.44
	- Bank commission and charges	413.70	424.59
	TOTAL	**4,768.82**	**4,692.76**
27.	**Other expenses**		
	Consumption of stores and spare parts	541.78	487.83
	Power and fuel	2,001.30	2,047.56
	Agency charges for installation	348.85	369.99
	Project site general expenses	757.29	538.70
	Rent (refer note 31)	798.53	650.02
	Repairs and maintenance	311.00	239.46
	Freight	1,454.44	1,348.10
	Processing charges	1,345.52	1,007.39
	Export selling expenses	532.35	670.03
	Legal and Professional Consultancy Fees	458.47	435.71
	Auditors Remuneration*	8.30	8.35
	Travelling and conveyance expenses	629.37	679.67
	Communication expenses	114.28	99.46
	Commission and brokerage	329.21	625.97
	Advertisement and sales promotion expenses	368.89	386.77
	Cash discount	413.63	354.37
	Irrecoverable claims	126.26	320.26
	Bad debts and bad advances	185.87	140.28
	Provisions for bad and doubtful debts	228.94	167.38

₹ in Million

Particulars	2015-16	2014-15
Other expenses Contd...		
Provision for diminution in value of investment	0.11	-
Donation	3.19	3.88
Insurance	185.89	184.17
Foreign exchange loss (net)	15.58	-
Rates and taxes	72.02	59.33
Director's sitting fees	5.11	2.01
Commission to directors	6.00	3.00
Vehicle expenses	226.05	206.45
CSR expenses#	6.73	23.98
Miscellaneous expenses	1,688.92	1,700.79
TOTAL	**13,163.88**	**12,760.91**
* Auditor's remuneration		
Payments to auditor – (exclusive of service tax)		
As auditor		
- audit fees #	6.20	6.20
- tax audit fees	0.50	0.50
- limited review	1.20	1.20
In other capacity		
- certification and other matters	0.40	0.45
# including for consolidated financial statement		
TOTAL	**8.30**	**8.35**

 # CSR expenditure

a) Gross amount required to be spent during the year ₹ 8.19 million (PY ₹ 23.98 million)
b) Amount spent during the year on :

Sr. No	Particulars	In Cash	Yet to be paid in Cash	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	6.73	-	6.73

₹ in Million

		2015-16	2014-15
27A.	**Exceptional items**		
	Loss on foreign currency transaction and translation (net)	190.57	763.01
	TOTAL	**190.57**	**763.01**
28.	**Current tax**		
	Current tax	153.15	175.98
	Short provision of income tax for earlier years (net)	(7.34)	-
	MAT credit (entitlement) utilized	(121.72)	(98.26)
	TOTAL	**24.09**	**77.72**
29.	**Consolidated earnings per share (EPS)**		
	Profit for the year	882.67	553.89
	Amount available for equity share holders	882.67	553.89
	Weighted average number of equity shares for basic EPS [nos.]	462,722,479	462,414,282
	Number of potential equity shares under ESOP, FCCB and CCD	335,731	137,917
	Weighted average number of equity shares including potential equity shares for diluted EPS [nos.]	463,058,210	462,552,199
	Basic EPS ₹	**1.91**	**1.21**
	Diluted EPS ₹	**1.91**	**1.21**

₹ in Million

		2015-16	2014-15
30.	**Employees Benefits of Holding and Indian Subsidiary company**		
	Defined benefit obligation:		
	The Gratuity obligation is managed by a Trust (JISL Gratuity Trust)		
	Actuarial assumptions		
	Rate of interest (p.a.)	8.08%	7.96%
	Salary growth (p.a.) (0 to 5 yrs)	6.00%	6.00%
	Salary growth (p.a.) (6 yrs & above)	4.00%	4.00%
	Withdrawal rate (p.a.)	2.00%	2.00%
	Mortality rate table (Indian assured lives mortality (2006-08) ultimate [PY (LIC (1994-96) Utility rates)]		
	Change in present value of the defined benefit obligation		
	Opening balance	247.44	208.41
	Current service cost	26.42	19.98
	Interest cost	19.70	19.40
	Actuarial loss / (gain) on obligation	(6.34)	9.28
	Benefits paid	(12.93)	(9.63)
	Less: Balance Transfer on slump sale	(43.49)	-
	Closing balance	**230.80**	**247.44**
	Change in fair value of plan assets		
	Opening fair value of plan assets	153.17	131.57
	Expected return on plan assets	12.18	11.45
	Actuarial gain / (loss) on plan assets	(2.29)	10.15
	Contributions	-	-
	Benefits paid	-	-
	Less: Balance Transfer on slump sale	(25.83)	-
	Closing fair value of plan assets #	**137.23**	**153.17**
	# Planned assets are with ICICI Prudential group gratuity plan in debt fund.		
	Movement in the net liability recognised in the Balance Sheet		
	Changes in present value of defined benefit obligations	230.79	247.44
	Changes in fair value of plan assets	(137.23)	(153.17)
	Closing net liability	**93.56**	**94.27**
	- Long term	19.09	9.77
	- Short term	74.47	84.50
	Expenses recognized in Statement of Profit and Loss		
	Current service cost	26.42	19.98
	Interest cost	19.70	19.40
	Expected return on plan assets	(12.18)	(11.45)
	Actuarial (gains)/losses	(4.05)	(0.87)
		29.89	**27.06**
	Investment details of plan assets		
	Government of India assets	-	-
	Corporate bonds	-	-
	Special deposit scheme	-	-
	Equity shares of listed companies	-	-
	Property	-	-
	Insurer managed funds	137.23	153.17
	Other	-	-
	TOTAL	**137.23**	**153.17**

₹ in Million

Experience adjustment	**2016**	**2015**	**2014**	**2013**	**2012**
On plan liability (gains)/ losses	(5.83)	9.28	18.27	(3.58)	29.53
On plan assets (losses)/ gains	(2.29)	(11.45)	(2.26)	2.82	10.16
Other adjustments	(0.51)	19.86	19.37	19.62	(8.05)
Estimated contribution to gratuity fund for next year	74.47	84.50	76.79	62.25	-

The estimate of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factor.

Further, contribution to Defined contribution plan recognised as expense for the year as under:

a) Employers contribution to Provident fund CY ₹ 45.77 million (PY ₹ 48.76 million) deposited with concerned authority.

b) Employers contribution to Pension scheme CY ₹ 7.70 million (PY ₹ 62.83 million) deposited with concerned authority.

c) Employers contribution to Superannuation fund CY ₹ 53.92 million (PY ₹ 53.94 million) managed by a Trust.

d) Employers contribution to ESIC CY ₹ 1.25 million (PY ₹ 1.15 million)

The net of provision for unfunded leave encashment liability up to March 2016 is ₹ 74.31million (PY ₹ 70.85 million)

30A Employee stock option plan

Employee stock options and shares plan 2005 (ESOP) - out of 15,356,000 stock options, Nomination and Remuneration Committee (formerly Compensation committee) of the Holding Company has approved/ allotted following options to the eligible employees including working & non-executive directors.

Particulars	Lot No. 1	Lot No. 2	Lot No. 3	Lot No. 4
Number of ESOP's allotted				
(face value of ₹ 2 per equity share)	2,500,000	2,500,000	2,500,000	2,500,000
Date of issue	27-Jan-07	04-Jun-07	14-Feb-08	27-Jun-08
Market price on the date of issue (NSE, Mumbai)	410.35	459.40	630.15	476.20
Discount offered as per terms	25%	10%	10%	10%
Option exercise price	307.76	413.46	568.00	428.58
Post-split option exercise price^	61.55	82.69	113.60	85.72
Vesting period	1 Year	3 Years	3 Years	3 Years
Options exercised during FY 2015-16	Nil	Nil	Nil	Nil
Total options exercised till March 31, 2016	2,358,050	2,224,625	2,471,250	Nil
Balance	141,950	275,375	28,750	2,500,000
Options lapsed ^	Nil	Nil	Nil	Nil

The discount to market price on above ESOP has been accounted/ amortized in the annexed accounts based on vesting period and as per the accounting policies specified in Schedule 1 of the ESOP Guidelines issued by the SEBI.

No employee has been issued options entitling such person to subscribe more than 1% of Equity Share Capital of the Holding Company. Out of the total 10,000,000 ESOPs granted, as of March 31, 2016, 7,053,925 ESOPs have been converted into equity shares of the Holding Company.

^ pursuant to resolution passed in AGM on September 27, 2013, the issue price has been revised to 10% discounted price of share price existed on date of AGM or price as may be determined by ESOP committee from time to time.

31.Leases

The Group has entered into "Operating lease for premises" as defined in the Accounting Standard 19 (AS-19). Significant terms of the lease agreement are:

No transfer of ownership on termination of lease,

No compensation for transfer on termination of lease,

No renewal of lease on expiry of the lease period.

The future minimum lease payments (MLP) under non-cancelable operating lease in the aggregate and for each of the following periods are as under.

₹ in Million

Particulars	31-Mar-2016	31-Mar-2015
Not later than one year	224.29	296.07
Later than one year and not later than five years	852.15	709.73
Later than five years	692.12	730.77

Aggregate amount of operating lease rent debited to statement of Profit and loss during the year is ₹ 798.53 million. (PY ₹ 650.02 million)

31A Small Enterprises and Medium Enterprises

To the extent, the Group has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under:

₹ in Million

Particulars	2015-16	2014-15
Principal amount remaining unpaid at the end of the year	103.22	30.01
Interest due thereon	4.01	-
Interest paid during the year	-	-
Interest due and payable (on the amount which have been paid beyond the appointed date during the year)	-	-
Interest remaining accrued and unpaid at the end of the year	4.01	-
Interest due of the previous year	-	-
Interest due and payable for Principal already paid	-	-
Total Interest accrued and remained unpaid at year end	4.01	-

32. Segment Information

A) Information about business segments

	2015-16	2014-15
1. Segment revenue		
a] Hi-tech agri input products	37,695.69	38,315.99
b] Industrial products	23,826.04	21,944.41
c] Non-conventional energy	1,349.60	1,266.10
Net sales income from operations	**62,871.33**	**61,526.50**
2. Segment results		
a] Hi-tech agri input products	4,994.94	5,319.83
b] Industrial products	2,675.62	2,182.26
c] Non-conventional energy	102.60	132.20
	7,773.16	**7,634.29**
Un-allocable expenditure (net)		
Less: i) Interest	4,768.82	4,692.76
ii) Taxation (including short provision)	108.72	(239.09)
iii) Others (net of income)	2,012.95	2,626.73
Profit after tax	**882.67**	**553.89**

3. Other Information

Particulars	Hi-tech Agri Input Products	Industrial Products	Non-conventional energy	Others Un-allocable	Total
2015-16					
Segment assets	44,726.14	33,280.19	4,495.08	-	82,501.41
Unallocated corporate assets	-	-	-	7,180.61	7,180.61
Total assets	**44,726.14**	**33,280.19**	**4,495.08**	**7,180.61**	**89,682.02**
Segment liabilities	14,110.99	16,601.16	1,024.67	-	31,736.82
Unallocated corporate liabilities	-	-	-	33,593.92	33,593.92
Total liabilities	**14,110.99**	**16,601.16**	**1,024.67**	**33,593.92**	**65,330.74**
Capital expenditure	804.30	1,219.76	(455.87)	751.90	2,320.09
Depreciation/ amortization	1,310.90	907.37	180.03	237.46	2,635.77
Non-cash items	291.19	103.86	31.20	114.92	541.18
2014-15					
Segment assets	44,105.67	26,205.76	4,657.03	-	74,968.46
Unallocated corporate assets	-	-	-	8,830.46	8,830.46
Total assets	**44,105.67**	**26,205.76**	**4,657.03**	**8,830.46**	**83,798.92**
Segment liabilities	15,230.68	12,994.37	1,612.57	-	29,837.62
Unallocated corporate liabilities	-	-	-	32,562.32	32,562.32
Total liabilities	**15,230.68**	**12,994.37**	**1,612.57**	**32,562.32**	**62,399.94**
Capital expenditure	1,039.74	741.80	117.35	193.74	2,092.63
Depreciation/ amortization	1,221.45	799.62	209.05	210.43	2,440.55
Non-cash items	255.23	214.16	28.40	130.13	627.92

B) Information about geographical segments

₹ in Million

Particulars	2015-16	2014-15
India	33,613.73	33,524.65
Europe	12,309.57	12,438.24
USA	7,664.91	6,028.46
Rest of the world	9,283.12	9,535.15
	62,871.33	**61,526.50**

Notes:

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.
- The Group has disclosed Business segment as the primary segment and type of products and services in each segment: a) Hi-tech Agri Input Products: Micro & Sprinkler Irrigation, PVC Pipes, Bio-tech Tissue Culture. b) Industrial Products : PVC & PC Sheets, PE Pipes, Onion & Vegetable Dehydration, Fruit Processing. c) Non-conventional Energy: Wind Energy, Solar & Bio- gas.
- The revenue and results figure given above are directly identifiable to respective segments and expenditure on common services incurred at the corporate level are not directly identifiable to respective segments have been shown as "Other Un-allocable expenditure".
- The Other information figures given above are directly identifiable to respective segments and information for corporate services for head office and investments related to acquisitions have been shown as "Others Un-allocable".

33.Related party transactions

A] Related parties and their relation

[1] Companies/ Firms in which Director, Director's relatives are Directors/Shareholders/Partners:

Companies

Jain Extrusion & Molding Pvt. Ltd.,
Jain Vanguard Polybutelyne Ltd.,
Atlaz Technology Pvt. Ltd,
JAF Products Pvt. Ltd,
Jalgaon Investment Pvt. Ltd.,
Jain Rotfil Heaters Pvt. Ltd.,
Jain e-agro.com India Pvt. Ltd.
Aadhunik Hi Tech Agriculture Pvt. Ltd.,
Kantabai Bhavarlal Jain Family Knowledge Institute
Pixel Point Pvt. Ltd.,
Labh Subh Securities International Ltd.,
Jain Brothers Industries Pvt. Ltd.,
Cosmos Investment & Trading Pvt. Ltd.,
Stock & Securities (India) Pvt. Ltd.,
Timbron India Pvt. Ltd.
Jain Green Energy Ltd.,
Gandhi Research Foundation

Partnership firms

Jain Computer & Allied Services,
Jalgaon Metal & Bricks Manufacturing Co.,
Jalgaon Udyog,

Proprietorship

PVC Trading House,
Drip & Pipe Suppliers,
Plastic Enterprises,
Jain Sons & Investments Corporation,

Trust

Anubhuti Scholarship Foundation,
Bhavarlal and Kantabai Jain Multipurpose Foundation,

Trust entities

Jain Family Holding Trust
Jain Family Enterprises Trust
Jain Family Trust
Jain Family Investment Trust
Jain Family Investment Management Trust

Foreign companies

Jain Investments & Finance B.V., Netherland
Jain Overseas Investments Ltd., Mauritius

[2] Key management personnel:

Bhavarlal H. Jain (Chairman upto 25th February, 2016)
Anil B. Jain (Managing Director)
Atul B. Jain (Joint Managing Director)
Avdhut V. Ghodgaonkar (Company Secretary)
Ashok B. Jain (Vice Chairman till 26th February, 2016 and Chairman from 27th February, 2016)
Ajit B. Jain (Joint Managing Director)
R. Swaminathan (Whole Time Director)
Manoj L. Lodha (Chief Financial Officer)

[3] Relatives of Key management personnel:

Jyoti Ashok Jain (Wife of Chairman)
Shobhana Ajit Jain (Wife of Joint Managing Director)
Master Athang Anil Jain (Son of Managing Director)
Nisha Anil Jain (Wife of Managing Director)
Bhavana Atul Jain (Wife of Joint Managing Director)
Manisha M. Lodha (Wife of Manoj L. Lodha)

[4] Associate Company

Sustainable Agro-Commercial Finance Ltd.

B] Transactions and Party wise Balances

₹ in Million

Sr.	Particulars	[1]	[2]	[3]	[4]	Total
1]	**Transactions**					
	[i] Sale of Goods	**3.91**	**-**	**-**	**2.91**	**6.82**
		(20.84)	*(-)*	*(-)*	*(2.22)*	*(23.06)*
	Bhavarlal and Kantabai Jain Multipurpose Foundation	1.58	-	-	-	1.58
		(1.52)	*(-)*	*(-)*	*(-)*	*(1.52)*
	Gandhi Research Foundation	2.33	-	-	-	2.33
		(0.37)	*(-)*	*(-)*	*(-)*	*(0.37)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	2.91	2.91
		(-)	*(-)*	*(-)*	*(2.22)*	*(2.22)*
	Aadhunik Hi Tech Agriculture Pvt. Ltd.	-	-	-	-	-
		(18.95)	*(-)*	*(-)*	*(-)*	*(18.95)*
	[ii] Rent Expenses	**3.05**	**28.60**	**21.79**	**-**	**53.44**
		(2.19)	*(20.84)*	*(16.61)*	*(-)*	*(39.64)*
	Ashok B. Jain	-	6.87	-	-	6.87
		(-)	*(5.16)*	*(-)*	*(-)*	*(5.16)*
	Ajit B. Jain	-	17.00	-	-	17.00
		(-)	*(12.41)*	*(-)*	*(-)*	*(12.41)*
	Atul B. Jain	-	4.73	-	-	4.73
		(-)	*(3.27)*	*(-)*	*(-)*	*(3.27)*
	Jyoti Ashok Jain	-	-	5.80	-	5.80
		(-)	*(-)*	*(4.29)*	*(-)*	*(4.29)*
	Nisha Anil Jain	-	-	14.13	-	14.13
		(-)	*(-)*	*(10.48)*	*(-)*	*(10.48)*
	Shobhana Ajit Jain	-	-	0.93	-	0.93
		(-)	*(-)*	*(0.92)*	*(-)*	*(0.92)*
	Bhavana Atul Jain	-	-	0.93	-	0.93
		(-)	*(-)*	*(0.92)*	*(-)*	*(0.92)*
	Drip & Pipe Suppliers	0.40	-	-	-	0.40
		(0.28)	*(-)*	*(-)*	*(-)*	*(0.28)*
	JAF Products Pvt. Ltd.	0.08	-	-	-	0.08
		(0.15)	*(-)*	*(-)*	*(-)*	*(0.15)*
	Jain Brothers Industries Pvt. Ltd.	2.46	-	-	-	2.46
		(1.58)	*(-)*	*(-)*	*(-)*	*(1.58)*
	Jain Computers & Allied Services	0.11	-	-	-	0.11
		(0.18)	*(-)*	*(-)*	*(-)*	*(0.18)*
	[iii] Donation	**1.23**	**-**	**-**	**-**	**1.23**
		(10.00)	*(-)*	*(-)*	*(-)*	*(10.00)*
	Bhavarlal and Kantabai Jain Multipurpose Foundation	1.23	-	-	-	1.23
		(10.00)	*(-)*	*(-)*	*(-)*	*(10.00)*
	[iv] Remuneration & Fees	**-**	**115.70**	**0.60**	**-**	**116.30**
		(-)	*(96.87)*	*(0.60)*	*(-)*	*(97.47)*
	Ashok B. Jain	-	23.88	-	-	23.88
		(-)	*(19.63)*	*(-)*	*(-)*	*(19.63)*
	Anil B. Jain	-	24.03	-	-	24.03
		(-)	*(19.63)*	*(-)*	*(-)*	*(19.63)*
	Ajit B. Jain	-	23.88	-	-	23.88
		(-)	*(19.63)*	*(-)*	*(-)*	*(19.63)*
	Atul B. Jain	-	23.88	-	-	23.88
		(-)	*(19.63)*	*(-)*	*(-)*	*(19.63)*
	Swaminathan R.	-	6.20	-	-	6.20
		(-)	*(5.32)*	*(-)*	*(-)*	*(5.32)*
	Manoj Lodha	-	8.47	-	-	8.47
		(-)	*(8.47)*	*(-)*	*(-)*	*(8.47)*
	Avdhut V. Ghodgaonkar	-	5.36	-	-	5.36
		(-)	*(4.56)*	*(-)*	*(-)*	*(4.56)*
	Athang Anil Jain	-	-	0.60	-	0.60
		(-)	*(-)*	*(0.60)*	*(-)*	*(0.60)*

₹ in Million

Sr.	Particulars	[1]	[2]	[3]	[4]	Total
	[v] Loans & Other Advances Given	**-**	**8.99**	**-**	**-**	**8.99**
		(2.50)	*(16.77)*	*(-)*	*(1,970.30)*	*(1,989.57)*
	Manoj Lodha	-	-	-	-	-
		(-)	*(10.12)*	*(-)*	*(-)*	*(10.12)*
	Avdhut V. Ghodgaonkar	-	8.99	-	-	8.99
		(-)	*(6.65)*	*(-)*	*(-)*	*(6.65)*
	Bhavarlal and Kantabai Jain Multipurpose Foundation	-	-	-	-	-
		(1.00)	*(-)*	*(-)*	*(-)*	*(1.00)*
	Gandhi Research Foundation	-	-	-	-	-
		(1.50)	*(-)*	*(-)*	*(-)*	*(1.50)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	-	-
		(-)	*(-)*	*(-)*	*(1,970.30)*	*(1,970.30)*
	[vi] Interest on Loans Given	**-**	**-**	**-**	**-**	**-**
		(-)	*(-)*	*(-)*	*(72.95)*	*(72.95)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	-	-
		(-)	*(-)*	*(-)*	*(72.95)*	*(72.95)*
	[vii] Interest on Loans Taken	**-**	**-**	**-**	**5.51**	**5.51**
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	5.51	5.51
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	[viii] Loans & Advances Taken	**-**	**-**	**-**	**400.00**	**400.00**
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	400.00	400.00
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	[ix] Rent Received	**-**	**-**	**-**	**0.18**	**0.18**
		(-)	*(-)*	*(-)*	*(0.27)*	*(0.27)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	0.18	0.18
		(-)	*(-)*	*(-)*	*(0.27)*	*(0.27)*
	[x] Loans and advances taken repaid	**-**	**-**	**-**	**400.00**	**400.00**
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	400.00	400.00
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	[xi] Loans and advances given repaid	**-**	**-**	**-**	**-**	**-**
		(15.00)	*(4.27)*	*(0.90)*	*(2,245.41)*	*(2,265.58)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	-	-
		(-)	*(-)*	*(-)*	*(2,245.41)*	*(2,245.41)*
	Manoj Lodha	-	-	-	-	-
		(-)	*(2.41)*	*(-)*	*(-)*	*(2.41)*
	Avdhut V. Ghodgaonkar	-	-	-	-	-
		(-)	*(1.86)*	*(-)*	*(-)*	*(1.86)*
	Bhavarlal & Kantabai Jain Multipurpose Foundation	-	-	-	-	-
		(15.00)	*(-)*	*(-)*	*(-)*	*(15.00)*
	Manisha M. Lodha	-	-	-	-	-
		(-)	*(-)*	*(0.90)*	*(-)*	*(0.90)*
	[xii] Deposit given	**-**	**-**	**-**	**-**	**-**
		(19.68)	*(259.99)*	*(188.94)*	*(-)*	*(468.61)*
	Ashok B. Jain	-	-	-	-	-
		(-)	*(74.25)*	*(-)*	*(-)*	*(74.25)*
	Ajit B. Jain	-	-	-	-	-
		(-)	*(159.12)*	*(-)*	*(-)*	*(159.12)*
	Atul B. Jain	-	-	-	-	-
		(-)	*(26.62)*	*(-)*	*(-)*	*(26.62)*
	Jyoti Ashok Jain	-	-	-	-	-
		(-)	*(-)*	*(39.30)*	*(-)*	*(39.30)*
	Nisha Anil Jain	-	-	-	-	-
		(-)	*(-)*	*(129.40)*	*(-)*	*(129.40)*
	Shobhana Ajit Jain	-	-	-	-	-
		(-)	*(-)*	*(10.12)*	*(-)*	*(10.12)*
	Bhavana Atul Jain	-	-	-	-	-
		(-)	*(-)*	*(10.12)*	*(-)*	*(10.12)*
	Drip & Pipe Suppliers	-	-	-	-	-
		(2.39)	*(-)*	*(-)*	*(-)*	*(2.39)*

₹ in Million

Sr.	Particulars	[1]	[2]	[3]	[4]	Total
	JAF Products Pvt. Ltd.	-	-	-	-	-
		(0.88)	*(-)*	*(-)*	*(-)*	*(0.88)*
	Jain Brothers Industries Pvt. Ltd.	-	-	-	-	-
		(15.18)	*(-)*	*(-)*	*(-)*	*(15.18)*
	Jain Computers & Allied Services	-	-	-	-	-
		(1.23)	*(-)*	*(-)*	*(-)*	*(1.23)*
2]	**Balances Receivables & Payables**					
	[i] Investment in	**-**	**-**	**-**	**588.01**	**588.01**
		(-)	*(-)*	*(-)*	*(588.01)*	*(588.01)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	588.01	588.01
		(-)	*(-)*	*(-)*	*(588.01)*	*(588.01)*
	[ii] Accounts Receivable	**3.40**	**-**	**-**	**-**	**3.40**
		(0.06)	*(-)*	*(-)*	*(-)*	*(0.06)*
	Bhavarlal & Kantabai Jain Multipurpose Foundation	1.37	-	-	-	1.37
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Aadhunik Hi Tech Agriculture Pvt. Ltd.	-	-	-	-	-
		(0.06)	*(-)*	*(-)*	*(-)*	*(0.06)*
	Gandhi Research Foundation	2.03	(-)	(-)	(-)	2.03
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	[iii] Accounts Payable	**24.75**	**-**	**-**	**3.19**	**27.94**
		(0.57)	*(-)*	*(-)*	*(1.82)*	*(2.39)*
	Gandhi Research Foundation	0.06	-	-	-	0.06
		(0.36)	*(-)*	*(-)*	*(-)*	*(0.36)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	3.19	3.19
		(-)	*(-)*	*(-)*	*(1.82)*	*(1.82)*
	Bhavarlal & Kantabai Jain Multipurpose Foundation	-	-	-	-	-
		(0.21)	*(-)*	*(-)*	*(-)*	*(0.21)*
	Aadhunik Hi Tech Agriculture Pvt. Ltd.	24.69	-	-	-	24.69
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	[iv] Advance Given	**299.75**	**39.84**	**-**	**-**	**339.59**
		(306.68)	*(32.79)*	*(-)*	*(0.02)*	*(339.49)*
	Gandhi Research Foundation	264.99	-	-	-	264.99
		(265.08)	*(-)*	*(-)*	*(-)*	*(265.08)*
	Bhavarlal & Kantabai Jain Multipurpose Foundation	34.76	-	-	-	34.76
		(41.60)	*(-)*	*(-)*	*(-)*	*(41.60)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	-	-
		(-)	*(-)*	*(-)*	*(0.02)*	*(0.02)*
	Manoj Lodha	-	20.02	-	-	20.02
		(-)	*(21.76)*	*(-)*	*(-)*	*(21.76)*
	Avdhut V. Ghodgaonkar	-	19.82	-	-	19.82
		(-)	*(11.03)*	*(-)*	*(-)*	*(11.03)*
	[v] Deposit Receivable	**25.68**	**267.57**	**204.06**	**-**	**497.31**
		(28.15)	*(293.31)*	*(223.68)*	*(-)*	*(545.14)*
	Ashok B. Jain	-	64.27	-	-	64.27
		(-)	*(70.45)*	*(-)*	*(-)*	*(70.45)*
	Ajit B. Jain	-	158.98	-	-	158.98
		(-)	*(174.28)*	*(-)*	*(-)*	*(174.28)*
	Atul B. Jain	-	44.32	-	-	44.32
		(-)	*(48.58)*	*(-)*	*(-)*	*(48.58)*
	Jyoti Ashok Jain	-	-	54.28	-	54.28
		(-)	*(-)*	*(59.50)*	*(-)*	*(59.50)*
	Nisha Anil Jain	-	-	132.26	-	132.26
		(-)	*(-)*	*(144.98)*	*(-)*	*(144.98)*
	Shobhana Ajit Jain	-	-	8.76	-	8.76
		(-)	*(-)*	*(9.60)*	*(-)*	*(9.60)*
	Bhavana Atul Jain	-	-	8.76	-	8.76
		(-)	*(-)*	*(9.60)*	*(-)*	*(9.60)*
	Jain Brothers Industries Pvt. Ltd.	20.05	-	-	-	20.05
		(21.99)	*(-)*	*(-)*	*(-)*	*(21.99)*
	Jalgaon Shop Drip & Pipe Supplier	3.80	-	-	-	3.80
		(4.16)	*(-)*	*(-)*	*(-)*	*(4.16)*
	Jain Computers & Allied Services	1.07	-	-	-	1.07
		(1.17)	*(-)*	*(-)*	*(-)*	*(1.17)*
	JAF Products Pvt. Ltd.	0.76	-	-	-	0.76
		(0.83)	*(-)*	*(-)*	*(-)*	*(0.83)*

Note: Previous year's figures are given in bracket & italics

Personal guarantees of promoters given to Consortium bank and FI's for various credit facilities provided to the Holding Company and counter guaranteed by the Holding Company is amounting to ₹ 43,249.94 million (PY ₹ 44,740.94 million).

The Holding Company, in its quest for rural development, has supported through investment in buildings, facility and infrastructure in an initiative by Bhavarlal & Kantabai Jain Multipurpose Foundation to establish a residential school called "Anubhuti School" based upon Indian ethos and values. The Holding Company also derives benefit from this investment in the form of usage of these facilities; children of Company's associates get priority admission into the school, etc.

Holding Company with help of trust will make further efforts to get extra gains from this investment as part of its corporate social responsibility initiative commitments.

[1] * Companies / Firms in which director, director's relatives are Directors / Shareholders / Partners

[2] * Key management personnel

[3] * Relatives of Key management personnel

[4] * Associate Company

34. Contingent liabilities

₹ in Million

	Particulars	31-Mar-16	31-Mar-15
[A]	**Contingent liabilities not provided for in respect of**		
i)	Claims not acknowledged as debts in respect of:		
	- Customs and excise duty [Paid under protest ₹ 38.32 million PY ₹ 59.83 million)]	584.48	570.30
	- Other taxes & levies [Paid under protest ₹ 43.41 million (PY ₹ 23.06 million)]	214.31	118.26
	- Others (legal case)	81.79	62.08
ii)	Guarantees given by the Holding Company's bankers in the normal course of business	6,365.34	4,325.47
iii)	Bills discounted with consortium banks	86.84	554.19
iv)	Export obligation towards duty saved amount under EPCG scheme	569.55	816.45
v)	Corporate guarantees given for repayment of indebtedness of associate	500.00	-

vi) During financial year 2012-13,one of the step down subsidiary of the Holding Company has exercised call option to acquire the remaining shares (49.999%) of NaandanJain Irrigation Ltd., Israel for an amount of US$ 34.00 million (Eq. ₹ 2,255.32 million) of which first four installments have been paid and balance US$ 10.00 million is (Eq. ₹ 663.33 million) payable in two annual installments up to June, 2017. The balance obligation of US$ 10.00 million (Eq. ₹ 663.33 million) is guaranteed by Exim Bank and is also counter guaranteed by the Holding Company.

vii) In case of one of our subsidiary, NaandanJain Irrigation Ltd. ("the Company") is committed to pay royalties to the Israeli government based on the sales proceeds from products for which the government participated in financing their research and development. The royalty rate is 2% and 3% on transferring production to related parties. The future cumulative royalties expected to be paid in the future will not exceed 100% and 120% respectively of the amount of the Israli Government's participation (excluding interest), linked to the exchange rate of the U.S. dollar.

vii) In 2006, one of our subsidiary NaandanJain Irrigation Ltd. ("the Company") filed a claim against one of its customer (the company and the individual), in the amount of approx. NIS 150,000 (Eq. ₹ 2.63 million). The customer filed a counter claim in the amount of NIS 2,500,000 (Eq. ₹ 43.91 million) for alleged breach of contract and damages caused to him with respect to his commercial activities. Mediation failed. During February, 2016 the parties have reached an agreement were all claims will be dismissed and the company will pay NIS 300,000 (Eq. ₹ 5.26 million) as final and undisputable compensation to the customer.

In respect of (i) above, the Holding Company has taken necessary legal steps to protect its position in respect of these claims, which, in its opinion, based on legal advice, are not expected to devolve. It is not possible to make any further determination of the liabilities, which may arise, or the amounts, which may be refundable in respect of these claims.

	Particulars	31-Mar-16	31-Mar-15
			₹ in Million
[B]	**Commitments**		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	470.27	338.38
(ii)	Other commitments		
(a)	In case of one of our subsidiary, NaandanJain Irrigation Ltd. ("the Subsidiary Company") has entered into a financing agreement with a leasing company. Pursuant to the agreement, customers interested in purchasing irrigation equipment produced or marketed by the Subsidiary Company under a financing lease, are referred to the leasing company. The leasing company sends the sales proceeds to the Subsidiary Company in cash. The Company has undertaken to pay to the leasing company (instead of the lessees) amounts past due, if any. The amount of credit given by the leasing company at the balance sheet date are specified.	0.81	12.80

35. Amounts less than ₹ 5,000 have been shown at actual in brackets since the amounts are rounded off to the nearest million. (One million = Ten Lacs)

36. Pursuant to the notification dated August 29, 2014 issued by the Ministry of Corporate Affairs, the Holding Company has complied with the requirements of paragraph 4(a) of Notes to Schedule II of the Companies Act, 2013 relating to Componentization in FY 2015-16. This has resulted in higher depreciation of ₹ 51.68 million in FY 2015-16.

37. The Holding Company has a system of periodically reconciling outstanding balances of sundry debtors, advances, deposits, etc. and on such reconciliation; the necessary adjustments are made in accounts. Consequently, balances at the end of the year are as per books of accounts.

38. Effective April 01, 2015, the Holding Company has exercised an option given under paragraph 46A of Accounting Standard for the Effect of Changes in Foreign Exchange Rates (AS 11) prescribed under Section 133 of Companies Act, 2013, whereby exchange differences arising on long term foreign currency monetary items relating to depreciable assets are adjusted in fixed assets and depreciated over the remaining life of such assets and in other cases are accumulated in Foreign Currency Monetary item Translation Difference Account (FCMTDA) to be amortised over balance period of long term foreign currency monetary items. Accordingly, the exchange difference of ₹ 344.67 million has been adjusted in fixed assets on which depreciation of ₹ 31.45 million has been provided and ₹ 203.08 million has been carried under FCMTDA (net of amortization of ₹ 83.90 million).

39. The Payment of Bonus Act, 1965 has been amended with retrospective effect from April 1, 2014, to enhance the eligibility limit for payment of bonus to workmen from ₹ 10,000 to ₹ 21,000 per month, and the wage ceiling from ₹ 3,500 to ₹ 7,000 per month or the minimum wage for a scheduled employment as fixed by Government, whichever is higher. Consequently during the year, the Holding Company has made provision of ₹ 67.31 million for the year ended March 31, 2016. However, bonus liability pertaining to financial year 2014 – 15 is not provided based on legal opinion and in view of stay granted by Kerala High Court and Karnataka High Court.

40. Comparative previous year's figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary to conform to current year's classification and presentation.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
Avdhut V. Ghodgaonkar	Anil B. Jain	Ghanshyam Dass	Manoj L. Lodha
Company Secretary	**Managing Director**	**Director**	**CFO**
	DIN: 00053035	**DIN: 01807011**	

Date : **May 30, 2016**
Place : **Jalgaon**

Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associate / Joint Venture (for the Year Ended 31st March, 2016)

Name of Company	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated net assets	Amount (₹ in million)	As % of Consolidated profit or loss	Amount (₹ in million)
Parent				
Jain Irrigation Systems Ltd., India	48.28	11,756.06	52.00	444.85
Subsidiaries				
Foreign				
JISL Overseas Ltd., Mauritius	8.97	2,183.80	0.02	0.21
Jain International Trading B.V., Netherlands	7.80	1,899.40	(2.22)	(18.98)
Jain Overseas B.V., Netherlands	2.48	603.30	13.76	117.75
Jain (Israel) B.V., Netherlands	(0.52)	(125.67)	(8.59)	(73.50)
JISL Global S.A., Switzerland	0.39	96.05	3.35	28.62
JISL System S.A., Switzerland	0.30	71.89	3.59	30.73
Jain America Foods Inc., USA	3.33	810.66	(8.81)	(75.41)
Jain America Holdings Inc., USA	3.85	937.87	(0.47)	(4.00)
Jain (Europe) Ltd., UK	1.02	248.17	2.88	24.61
Jain Irrigation Holding Corp., USA (Consolidated)	-	-	16.94	144.91
Jain Irrigation Inc., USA (Consolidated)	4.00	973.22	2.74	23.41
Cascade Specialities Inc., USA	0.81	197.24	3.38	28.92
Naandan Jain Irrigation Ltd., Israel (Consolidated)	2.96	721.28	23.55	201.44
The Machines Yvonand SA, Switzerland	0.58	140.05	(8.74)	(74.78)
Jain International Foods Ltd., UK	1.32	320.38	-	-
Sleaford Quality Foods Ltd., UK (Consolidated)	1.34	325.67	3.33	28.50
ProTool AG, Switzerland	(0.10)	(25.13)	(0.48)	(4.07)
Ex-Cel Plastics Ltd, Ireland	(0.01)	(3.48)	0.50	4.29
Gavish Control Systems Ltd, Israel	(0.08)	(19.66)	(0.17)	(1.43)
Indian				
Driptech India Pvt. Ltd., India	(0.06)	(13.58)	0.83	7.13
Jain Farm Fresh Foods Ltd., India	12.01	2,925.06	2.60	22.26
Jain Processed Foods Trading & Investments Pvt. Ltd., India	0.00	0.07	0.00	0.04
Associate				
Indian				
Sustainable Agro-Commercial Finance Ltd., India	1.35	328.63	1.98	27.15
		24,351.28		**855.52**

Note 41 - AOC - 1

Salient features of Financial Statements of Subsidiaries / Associate / Joint Venture as per Companies Act, 2013

Part "A" - Subsidiaries (for the Year Ended 31st March, 2016)

Sr. No.	Name of Subsidiary Company	Reporting currency & Eq. in INR	Share capital	Reserve and surplus	Total Assets	Total Liabilities	Invest-ments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of share holding
1	Jain Farm Fresh Foods Ltd., India	INR	280.03	5,968.99	12,464.25	6,215.23	878.93	3.50	0.72	(34.93)	35.65	-	88.81%
2	Jain Processed Foods Trading & Investments Private Ltd., India	INR	0.10	0.06	31.89	31.73	20.15	1.34	0.08	0.03	0.06	-	100.00%
3	Driptech India Pvt. Ltd., India	INR	6.49	(35.51)	19.75	48.77	-	27.74	11.20	(0.22)	11.42	-	75.00%
4	JISL Overseas Limited Mauritius*	INR	4,912.34	(246.94)	4,934.37	268.96	4,242.41	23.40	0.34	-	0.34	-	
		US$	74.06	(3.72)	74.39	4.05	63.96	0.36	0.01	-	0.01	-	100.00%
5	Jain International Trading BV, Netherlands	INR	10.47	4,047.34	7,903.26	3,845.45	3,395.38	148.09	(30.39)	-	(30.39)	-	
		US$	0.16	61.02	119.15	57.97	51.19	2.26	(0.46)	-	(0.46)	-	100.00%
6	Jain Overseas BV, Netherlands	INR	289.70	999.18	3,242.84	1,953.96	2,226.36	283.23	188.58	-	188.58	-	
		US$	4.37	15.06	48.89	29.46	33.56	4.33	2.88	-	2.88	-	100.00%
7	Jain (Israel) BV, Netherlands	INR	274.93	(543.40)	3,688.24	3,956.71	2,944.05	34.20	(117.71)	-	(117.71)	-	
		US$	4.14	(8.19)	55.60	59.65	44.38	0.52	(1.80)	-	(1.80)	-	100.00%
8	JISL Global S.A., Switzerland	INR	34.42	170.77	223.32	18.13	92.92	64.74	45.84	0.00	45.83	45.83	
		CHF	0.50	2.48	3.24	0.26	1.35	0.96	0.68	0.00	0.68	0.68	100.00%
9	JISL System S.A., Switzerland	INR	20.65	132.93	157.06	3.48	138.55	56.09	49.23	0.00	49.22	49.27	
		CHF	0.30	1.93	2.28	0.05	2.01	0.83	0.73	0.00	0.73	0.73	100.00%
10	Jain America Foods Inc., USA*	INR	1,890.90	(159.03)	1,832.32	100.45	421.39	266.77	(191.73)	(70.95)	(120.78)	-	
		US$	28.51	(2.40)	27.62	1.51	6.35	4.07	(2.93)	(1.08)	(1.84)	-	100.00%
11	Jain America Holdings Inc., USA	INR	2,010.12	(6.49)	6,574.77	4,571.14	3,355.67	113.31	(8.88)	(2.47)	(6.41)	-	
		US$	30.30	(0.10)	99.12	68.91	50.59	1.73	(0.14)	(0.04)	(0.10)	-	100.00%
12	Jain (Europe) Ltd., UK	INR	1,045.54	(515.36)	4,610.26	4,080.08	7.11	2,337.64	39.42	-	39.42	-	
		GBP	11.00	(5.42)	48.48	42.91	0.07	23.68	0.40	-	0.40	-	100.00%
13	Jain Irrigation Holding Corp., USA (Consolidated)	INR	367.12	(367.12)	-	-	-	4,079.36	486.63	254.54	232.09	-	
		US$	5.53	(5.53)	-	-	-	62.31	7.43	3.89	3.55	-	100.00%
14	Jain Irrigation Inc., USA (Consol.)	INR	2,041.16	37.99	4,735.61	2,656.46	-	873.09	66.90	29.40	37.49	-	
		US$	30.77	0.57	71.39	40.05	-	13.34	1.02	0.45	0.57	-	100.00%
15	Cascade Specialities Inc., USA*	INR	637.46	(216.07)	3,914.02	3,492.63	-	2,795.70	70.48	24.17	46.32	-	
		US$	9.61	(3.26)	59.01	52.65	-	42.70	1.08	0.37	0.71	-	100.00%
16	Naandan Jain Irrigation Ltd., Israel (Consolidated)	INR	1,232.85	308.06	9,035.53	7,494.62	-	8,783.05	370.61	47.97	322.64	-	
		ILS	70.20	17.54	514.46	426.72	-	518.73	21.89	2.83	19.06	-	100.00%
17	The Machines Yvonand SA, Switzerland	INR	14.04	285.15	746.18	446.99	0.00	802.09	(119.42)	0.33	(119.76)	-	
		CHF	0.20	4.14	10.84	6.49	0.00	11.90	(1.77)	0.00	(1.78)	-	100.00%
18	Jain International Foods Ltd, UK	INR	602.68	81.78	769.82	85.37	769.82	-	-	-	-	-	
		GBP	6.34	0.86	8.10	0.90	8.10	-	-	-	-	-	100.00%
19	Sleaford Quality Foods Ltd., UK (Consolidated)	INR	16.16	679.59	2,934.56	2,238.80	-	4,945.13	55.79	10.15	45.64	-	
		GBP	0.17	7.15	30.86	23.54	-	50.09	0.57	0.10	0.46	-	100.00%
20	ProTool AG, Switzerland	INR	13.77	(67.45)	74.07	127.75	-	146.89	(6.47)	0.04	(6.51)	-	
		CHF	0.20	(0.98)	1.08	1.86	-	2.18	(0.10)	0.00	(0.10)	-	75.00%
21	Ex-Cel Plastics Ltd, Ireland	INR	7.51	(14.95)	945.01	952.46	-	1,187.79	4.20	(2.67)	6.87	-	
		EUR	0.10	(0.20)	12.58	12.68	-	16.43	0.06	(0.04)	0.10	-	100.00%
22	Gavish Control Systems Ltd, Israel	INR	0.00	(42.01)	66.55	108.56	-	71.79	(2.29)	-	(2.29)	-	
		ILS	0.00	(2.39)	3.79	6.18	-	4.24	(0.14)	-	(0.14)	-	51.00%

Part "A" - Subsidiaries Contd...

Exchange Rates	INR.....	US$	EUR	GBP	ILS	CHF	TRY
31-Mar-16	Avg. Rate	65.4685	72.2894	98.7260	16.9319	67.3982	23.0880
	Closing Rate	66.3329	75.0955	95.0882	17.5632	68.8329	23.4358

The above statement also indicates performance and financial position of each of the subsidiaries.

* Share Capital also includes Preference Share Capital.

Part B: Associate and joint venture
Statement pursuant to Section 129 (3) of the Act related to associate company and joint venture

₹ in Million

Sr. No.	Name of Associates/ Joint Ventures	Balance Sheet date	Shares of associate/joint venture held by the Company on the year end			Networth attributable to shareholding as per latest audited balance sheet (₹)	Profit/(loss) for the year		Description of how there is significant influence	Reason why associate/joint venture is not consolidated
			No.	Amount of investment in associate/ joint venture (₹)	Extent of holding (%)		Considered in consolidation (₹)	Not considered in consolidation (₹)		
Associate Company										
1	Sustainable Agro-Commercial Finance Ltd.	March 31, 2016	58,800,000	588.01	49.00%	702.07	27.15	28.25	Refer Note 1	Refer Note 2
Joint venture										
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes

1 Significant influence due to percentage of holding.

2 Because the company doesn't have more than 51% shareholding directly or indirectly, i.e. no controlling interest.

For and on behalf of the Board of Directors

Sd/-
Avdhut V. Ghodgaonkar
Company Secretary
Date : **May 30, 2016**
Place : **Jalgaon**

Sd/-
Manoj L. Lodha
CFO

Sd/-
Anil B. Jain
Managing Director
DIN: 00053035

Sd/-
Ghanshyam Dass
Director
DIN: 01807011

Independent Auditor's Report

To the Member of Jain Irrigation Systems Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Jain Irrigation Systems Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose for preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statement based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statement of nineteen subsidiaries, whose financial statements reflects total assets of ₹ 53,487.61 million as at March 31, 2015, total revenues of ₹ 27,032 million and net cash inflows amounting to ₹ 787.91 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net profit of ₹ 8.43 million for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited us. These financial statement have been audited by other auditors whoes report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and an associate, is based solely on the reports of the other auditors

Our opinion on the consolidated financial statements and our report on the other legal and Regulatory Requirement below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and its associate company incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the aforesaid consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its associate company incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note 35 on Contingent Liabilities to the consolidated financial statements;

   ii) The Group and its associate did not have long term contract including derivative contract. Hence, the question of any material foreseeable losses does not arise;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its associate company incorporated in India.

For Haribahakti & Co. LLP

Chartered Accountants

[CA] Firm Registration No. 103523w

Sd/-

Rakesh Rathi

Partner

Member No. 045228

Mumbai : May 15, 2015

Annexure to Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Jain Irrigation Systems Limited on the consolidated financial statements for the year ended March 31, 2015]

i) (a) The Holding Company and its associate have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, all the fixed assets of the Holding Company and its associate have not been physically verified by the management of the respective entities. However, there is a regular programme of verification which, in our opinion, is reasonable having regard to their size and the nature of their assets. As informed, no material discrepancies were noticed on such verification.

ii) (a) The inventory (excluding stocks lying with third parties) of the Holding Company has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. As regards associate company, since it is a financial services company and does not hold any inventory, thus the clause (ii) of paragraph 3 of the Order is Not Applicable.

(b) The procedures of physical verification of inventory followed by the management of the Holding Company are reasonable and adequate in relation to their size of the Holding company and the nature of its business.

(c) The Holding Company is maintaining proper records of inventory. As informed, no material discrepancies were noticed on physical verification carried out during the year.

iii) As informed, the Holding Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii) (a) and 3(iii) (b) of the Order are not applicable. As regards associate company, it has granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act and the parties have rapaid the principal amounts as stipulated and are also regular in payment of interest. Further, with respect to the aforesaid loans by associate company, there are no overdue amounts.

iv) In our opinion and according to the information and explanations given by the management of the Holding Company and its associate, there exists an adequate internal control system commensurate with the size of the respective entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During he course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the respective entities.

v) In our opinion and according to the information and explanations given by the management of the holding Company and its associate, the respective entities have not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.

vi) We have broadly reviewed the books of account maintained by the Holding Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. As regards associate company, the Central Government of India has not prescribed the maintenance of cost records for any of the services rendered by it.

vii) (a) The Holding Company and its associate are generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given by the management of the Holding Company and its associate, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, in respect of the Holding Company, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows;

No. of Component	Name of the statute	Nature of dues	Amount (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
1	Central Sales Tax and Local Sales Tax	Sales Tax	109.00	P.Y. 1998-1999, 2002-2003 and 2012-2013	Department Authorities
1	Service Tax	Service Tax	31.00	P.Y. 2007-2008 and 2012-2013	Commissioner (Appeals)
			2.92	P.Y. 2010-2011	Tribunal
1	Excise Duty	Excise Duty	32.24	P.Y. 1995-1996 to 1996 - 1997, 2007-2008, 2009-2010 to 2014 -2015	Commissioner / Commissioner (Appeals)
			188.32	P.Y. 2008-2009	High Court
			255.99	P.Y. 1999-2000, 2006-2007 2008-2009, 2011-2012 2012-2013 and 2014-2015	Tribunal
1	Income Tax	Income Tax	9.25	Assessment Year 2011-12	CIT (Appeals)

As regards associate company, there are no statutory dues outstanding on account of any dispute.

(c) According to the information and explanations given by the management of the Holding Company and its associate, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the respective entities.

(viii) The Holding Company does not have accumulated losses at the end of the financial year nor has incured cash losses in the current and immediately preceding financial year. As regards associate company, it has not completed five years since its registration and thus paragraph 3 (viii) of the Order is Not Applicable to it.

(ix) According to the information and explanations given by the management of the Holding Company and its associate, the respective entities have generally been regular in the repayment of dues to financial institutions(s), bank(s) or debenture holder(s).

(x) In our opinion and according to the information and explanations given by the management of the Holding Company and its associate, the terms and conditions of the guarantees given by the respective entitles, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the respective entities.

(xi) According to the information and explanations given by the management of the Holding Company, the term loans have been applied for the purpose for which the loans were obtained. Associate company did not have any term loans outstanding during the year.

(xii) During the course of examination of the books and records of the Holding Company and its associate, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the respective entities.

For Haribahakti & Co. LLP
Chartered Accountants
[CA] Firm Registration No. 103523w

Sd/-
Rakesh Rathi
Partner
Member No. 045228

Mumbai : May 15, 2015

Consolidated Balance Sheet as at 31-March-2015

₹ In Million

	Note No.	31-Mar-2015	31-Mar-2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	924.83	924.83
Reserves and surplus	3	20,474.15	20,830.66
Money received against share warrants	4	-	-
		21,398.98	21,755.49
Minority Interest		-	204.77
Non-current liabilities			
Long term borrowings	5	16,956.88	14,976.63
Deferred tax liabilities (net)	6	1,201.15	1,411.72
Other long term liabilities	7	372.24	257.29
Long term provisions	8	87.12	64.30
		18,617.39	16,709.94
Current liabilities			
Short term borrowings	9	22,401.37	21,889.15
Trade payables	10	13,568.28	13,432.69
Other current liabilities	11	7,284.01	7,579.49
Short term provisions	12	528.89	552.38
		43,782.55	43,453.71
	TOTAL	**83,798.92**	**82,123.91**
ASSETS			
Non-current assets			
Fixed assets			
Goodwill on consolidation		2,556.65	2,192.12
Tangible assets	13[A]	24,531.05	25,003.91
Intangible assets	13[B]	519.61	575.41
Capital work-in-progress	13[C]	525.90	806.88
		28,133.21	28,578.32
Non-current investments	14	620.60	14.16
Deferred tax assets (net)	6	1,358.40	1,194.25
Long term loans and advances	15	2,951.01	3,198.77
Other non-current assets	16	1,447.37	1,058.16
Current assets			
Inventories	17	18,565.88	18,363.88
Trade receivables	18	19,540.97	17,994.04
Cash and bank balances	19	3,041.11	1,968.15
Short term loans and advances	20	4,631.29	5,612.19
Other current assets	21	3,509.08	4,141.99
		49,288.33	48,080.25
	TOTAL	**83,798.92**	**82,123.91**

Notes
Notes 1 to 39 are an integral part of the financial statements
As per our report of even date

For Haribhakti & Co. LLP
Firm Registration No: 103523W
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Rakesh Rathi	A. V. Ghodgaonkar	Manoj L. Lodha	Anil B. Jain	Ghanshyam Dass
Partner : Membership No: 45228	**Company Secretary**	**CFO**	**Managing Director**	**Director**

Date : **May 15 , 2015**
Place : **Mumbai**

Date : **May 15 , 2015**
Place : **Mumbai**

Consolidated Statement of Profit and Loss for the Year Ended 31-March-2015

₹ In Million

	Note No.	2014-15	2013-14
Revenue from operations	22	63,092.57	59,859.48
Less : Excise duty		(1,566.07)	(1,578.17)
Revenue from operations (net)		61,526.50	58,281.31
Other income	23	410.00	462.99
Total revenue		**61,936.50**	**58,744.30**
Expenses			
Cost of materials consumed	24	35,617.73	33,910.43
Changes in inventories of finished goods and work in progress	25	(1,160.89)	(501.88)
Employee benefit expenses	26	6,658.36	6,141.30
Finance costs	27	4,692.76	4,676.45
Depreciation and amortisation expense	13	2,440.55	2,045.40
Other expenses	28	12,760.91	11,404.66
Cost of self-generated capital equipments		(146.72)	(372.87)
Total expenses		**60,862.70**	**57,303.49**
Profit/(Loss) before exceptional and extraordinary items and tax		**1,073.80**	**1,440.81**
Exceptional items	28A	763.01	2,300.37
Profit/(Loss) before tax		**310.79**	**(859.56)**
Tax expense			
- Current tax	29	77.72	233.03
- Deferred tax	6	(316.81)	(694.67)
Prior period expense		4.42	-
Profit/(Loss) for the year before minority interest		**545.46**	**(397.92)**
Share of profit in associate		8.43	-
Minority interest		-	(0.28)
Profit/(Loss) for the year		**553.89**	**(398.20)**
Earnings per share: (Face value ₹ 2 per share)	30		
Basic		**1.21**	**(0.87)**
Diluted		**1.21**	**(0.87)**

Notes

Notes 1 to 39 are an integral part of the financial statements

As per our report of even date

For Haribhakti & Co. LLP

Firm Registration No: 103523W

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Rakesh Rathi	A. V. Ghodgaonkar	Manoj L. Lodha	Anil B. Jain	Ghanshyam Dass
Partner : Membership No: 45228	**Company Secretary**	**CFO**	**Managing Director**	**Director**

Date : **May 15 , 2015**
Place : **Mumbai**

Date : **May 15 , 2015**
Place : **Mumbai**

Consolidated Cash Flow Statement for the Year Ended 31-March-2015

₹ In Million

	Note No.	2014-15	2013-14
Cash flow from operating activities			
Net profit/(Loss) before tax		**310.79**	**(859.58)**
Adjusted for:			
Depreciation and amortisation expense	13	2,440.55	2,045.40
Amounts written off and provisions		627.92	505.65
Un-realized forex (gain) / loss		(57.20)	1,208.33
Provision for wealth tax		(0.10)	0.04
Provision for gratuity and other benefit		4.16	43.29
Loss/(Profit) on asset sale/discarded (net)		(32.33)	(157.69)
Share of profit in associate		8.43	-
Interest and finance charges	27	4,692.77	4,676.45
Provision for doubtful debts and advances written back		(31.68)	(15.90)
Sundry credit balances appropriated		(21.78)	(9.20)
Dividend and interest income		(190.36)	(113.99)
Operating profit before working capital changes		**7,751.15**	**7,322.80**
Changes in working capital:			
(Increase)/Decrease in trade and other receivables		(1,957.34)	1,318.56
(Increase)/Decrease in loans and advances and other assets		530.49	(3,019.74)
(Increase)/Decrease in inventories		(202.01)	(1,133.23)
Increase/(Decrease) in trade payable, other liabilities and provisions		761.24	1,290.86
Cash generated from/(used in) operations		**6,883.52**	**5,779.25**
Taxes paid		(270.60)	(40.88)
Net cash from operating activities		**6,612.92**	**5,738.37**
Cash flow from investing activities			
Purchase of fixed assets (including changes in CWIP and capital advances)		(2,204.73)	(3,321.54)
Sale of fixed assets		112.10	706.73
Purchase of investment		(10.00)	(1.00)
Acquisition of strategic investment		(364.54)	(407.40)
Share application money paid		(10.00)	(7.50)
Interest received		189.04	102.49
Dividend income		0.02	8.02
Net cash flow used investing activities		**(2,288.10)**	**(2,920.20)**
Cash flow from financing activities			
Proceeds by way of issue of share warrants		-	485.44
Increase/(Decrease) in term loans (net)		1,141.89	(832.89)
Increase/(Decrease) working capital borrowings (net)		513.72	2,048.58
Interest and finance charges paid		(4,640.91)	(4,637.86)
Dividend and dividend distribution tax paid		(269.50)	(265.23)
Net cash from/(used in) financing activities		**(3,254.79)**	**(3,201.96)**
Net decrease in Cash and Cash Equivalents		**1,070.02**	**(383.79)**
Cash and cash equivalents as at the beginning of the year	19	1,939.98	2,323.77
Cash and cash equivalents as at end of the year	19	3,010.00	1,939.98
Net decrease in Cash and Cash Equivalents		**1,070.02**	**(383.79)**

Notes : 1 to 39 are an integral part of the financial statements

As per our report of even date

For Haribhakti & Co. LLP
Firm Registration No: 103523W
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Rakesh Rathi
Partner : Membership No: 45228

Sd/-
A. V. Ghodgaonkar
Company Secretary

Sd/-
Manoj L. Lodha
CFO

Sd/-
Anil B. Jain
Managing Director

Sd/-
Ghanshyam Dass
Director

Date : **May 15 , 2015**
Place : **Mumbai**

Date : **May 15 , 2015**
Place : **Mumbai**

Notes to the Consolidated Financial Statements

1. Significant accounting policies

A. Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respect with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006, (as amended),and the relevant provisions of the Companies Act, 2013 (the "Act"). The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles. The Group follows the mercantile systems of accounting and recognises income and expenditure on an accrual basis except stated otherwise.

B. Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

i. The Consolidated Financial Statements have been prepared in accordance with the principles and procedures required for the preparation of Consolidated Financial Statements as laid down under the Accounting Standard (AS-21), Consolidated Financial Statements and Accounting Standard (AS-23), Accounting for Investments in Associates in Consolidated Financial Statements (AS-27), Financial Reporting of Interests in Joint Ventures as per the Companies (Accounting Standards) Rules, 2006.

ii. The financial statements of the subsidiaries and the Joint Venture forming part of the Consolidated Financial Statements are drawn up to the same reporting date as that of the Company, i.e. year ended March 31, 2015.

iii. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of similar items of assets, liabilities, income and expenses, after eliminating intra -group balances, intra-group transactions and resulting unrealised gains/losses.

iv. The Consolidated Financial Statements have been prepared by applying uniform accounting policies for similar transactions except otherwise stated.

v. The difference between the costs of investment in subsidiaries, over the net assets at the time of acquisition is recognised in the financial statements as Goodwill / Capital Reserve as the case may be.

vi. Minority interest in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

b) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.

vii. Minority interest's share of net profit of consolidated subsidiaries for the year is identified, wherever applicable, and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholde₹

viii. **Subsidiaries & Associates -** The Consolidated Financial Statements present the consolidated accounts of Jain irrigation systems ltd., with its following subsidiaries, joint venture & associates:

Name of the subsidiary	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
	2015	2014	
JISL Overseas Limited	100.00%	100.00%	Mauritius
Jain International Trading BV	100.00%	100.00%	Netherland
Jain (Europe) Limited	100.00%	100.00%	United Kingdom
SQF 2009 Limited**	100.00%	95.00%	United Kingdom
Ex-Cel Plastics Limited	100.00%	100.00%	Ireland
Jain (Americas) Inc. (Nucedar Mills Inc. has been merged with Jain (Americas) Inc.)	100.00%	100.00%	United States of America
Jain Irrigation Holding Inc. (Erstwhile Jain Irrigation Inc.)	100.00%	100.00%	United States of America
Cascade Specialties Inc.	100.00%	100.00%	United States of America
Jain Irrigation Inc. (Erstwhile Aquarius Brands Inc.) *	100.00%	100.00%	United States of America
Jain Agricultural Services, LLC.	100.00%	-	United States of America
Jain Overseas B.V. Netherland	100.00%	100.00%	Netherland
Jain (Israel) B.V. Netherland	100.00%	100.00%	Netherland
NaandanJain Irrigation Ltd.@	100.00%	100.00%	Israel
Gavish Systems Ltd.	51.00%	-	Israel
JISL Global SA	100.00%	100.00%	Switzerland
JISL Systems SA	100.00%	100.00%	Switzerland
Protool AG. #	75.00%	75.00%	Switzerland
THE Machines S.A.	100.00%	100.00%	Switzerland
Jain Sulama Sistemleri Sanayive Ticaret A.S.	100.00%	100.00%	Turkey
Point Source Irrigation Inc.	100.00%	100.00%	United States of America
Sustainable Agro-Commercial Finance Ltd.^	-	79.35%	India

the company through its step down subsidiaries has the option to buy the balance stake of minority shareholders in these companies at a predetermined price or agreed valuation.

* The company has acquired assets of PureSense Environment, Inc. USA during the month of Feb 2015 through its fellow subsidiary Cascade Specialties Inc., USA.

^Associate

The stake of Jain Irrigation Systems Ltd. in Sustainable Agro Commercial Finance Ltd. (49.00%) has been consolidated as per AS-23, Accounting for Investment in Associate in Consolidated Financial Statements as per equity method.

**Subsidiaries of SQF 2009 Ltd. are as under:

Name of the subsidiaries	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
	2015	2014	
Sleaford Food Group Limited	100.00%	100.00%	United Kingdom
Sleaford Quality Foods Limited	100.00%	100.00%	United Kingdom
Arnolds Quick Dried Foods Limited	100.00%	100.00%	United Kingdom

@ Subsidiaries & Joint Venture of NaandanJain Irrigation Limited, Israel are as under.

Name of the subsidiary & Joint Venture	Ownership in % either directly or through subsidiaries as at March 31,		Country of Incorporation
Subsidiaries	2015	2014	
Naan Dan Agro-Pro (Israel Company for Agricultural Applications) Ltd	100.00%	100.00%	Israel
NaandanJain France Sarl	100.00%	100.00%	France
NaandanJain Mexico, S.A. De C.V.	100.00%	100.00%	Mexico
NaandanJain Australia Pty Ltd	100.00%	100.00%	Australia
NaandanJain S.R.L.	100.00%	100.00%	Italy
Naandan Do Brasil Participacoes Ltda.	100.00%	100.00%	Brasil
NaandanJain Industria E Comercio de Equipmentos Ltd	100.00%	100.00%	Brasil
NaandanJain Iberica S.C.	100.00%	100.00%	Spain
NaandanJain Peru S.A.C	100.00%	100.00%	Peru
NaandanJain Irrigation Projects S.R.L.	100.00%	100.00%	Romania
Joint Venture			
Dansystems S.A	50.00%	50.00%	Chile

C. Revenue Recognition

Sale of goods : Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and are recognised net of trade discount, rebates, sale tax and excise duties.

Sale of services: In contracts involving the rendering of services, the revenue is measured using the proportionate completion method and are recognised net of service tax.

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedents to claims are fulfilled.

Dividend income is recognised when the shareholder's right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Discount or premium on debt securities held is accrued over the period to maturity.

D. Use of estimates

In preparation of Financial Statements requires estimates and assumptions to be made which affect the reported amounts of assets / liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based upon Management's best knowledge of current events and actions, actual result could differ from these estimates.

E. Tangible assets and Depreciation / Amortisation

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation:

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

a) Useful lives/ depreciation rates

Considering the applicability of Schedule II, the Management has re-estimated useful lives and residual values of all its fixed assets. Depreciation on all the assets have been provided at the rates and in the manner prescribed in schedule II to the Act on straight line method, except greenhouse, sheds and poly houses, depreciated at 10%. The Management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the company.

Depreciation on additions to assets or on sale / disposal of assets is calculated from the beginning of the month of such addition or up to the month of such sale / scrapped, as the case may be. Leasehold Land is amortised over the period of lease.

b) Depreciation on assets costing less than ₹ 5,000

Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than ₹ 5,000 in the year of purchase. However, Schedule II to the Act, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Act, the Company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the Management. The Management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than ₹ 5,000 did not have any material impact on financial statements of the Company for the current year.

F. Intangibles

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the Management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Computer Software, Trade Mark and Development costs, Technical Knowhow etc. are amortised over a period of 5 years from the date of acquisition. Goodwill arising on acquisition of business has been amortised over the period of 10 years from the date of acquisition. Non-compete fees and water rights are amortised over a period of 10 yea₹

G. Orchard activities

Orchard expenditure is amortised over a period of 15 years commencing from the 6th year from the date of planting. Orchard mortality during first two years of planting up to 10% is considered normal and any mortality after second year is charged to Statement of Profit and Loss.

H. Capital work in progress

Expenditure during construction period including development cost incurred on the projects under implementation are treated as pre-operative expenses pending allocation to the assets, and are included under “Capital Work in Progress”. These expenses are apportioned to fixed assets on commencement of commercial production. Capital Work in Progress is stated at the amount expended up to the date of Balance Sheet.

I. Lease

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

J. Borrowing cost

General and specific borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs recognsied in Statement of Profit and Loss in the period in which they are incurred.

K. Investments

Long-term investments are carried at ‘cost’. However, the provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

L. Inventory valuation

Raw Materials and components, stock in process, finished goods are valued at cost or net realisable value whichever is lower. Finished goods at factory premises and depots are valued at inclusive of excise duty. Stores, spares and consumables are valued at cost except certain spares are valued at cost or its fair value whichever is lower. Goods / Materials in transit are valued at cost to date.

Cost comprises cost of purchase, cost of conversion and other cost incurred in bringing the inventory to present location and condition. Cost is arrived at on weighted average basis. Stock for demonstration lying with third parties at sites is valued at the estimated value of its useful life in relation to its original cost at the time of transfer to the third party.

M. Foreign currency transactions

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

Monetary items in the form of loans, current assets and current liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average exchange rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. The exchange difference arising on consolidation is recognised in the foreign currency translation reverse.

In case of foreign subsidiaries that have been identified as integral foreign operations, revenue items are translated at the average exchange rate. Monetary items are reported using the closing rate. Non-monetary items are reported using the exchange rate at the date of transaction. The exchange difference arising on consolidation is recognised in the Statement of Profit and Loss account.

N. Foreign currency derivative contracts

The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities and forecasted cash flows denominated in foreign currency. In order to limit the effects of foreign exchange rate fluctuations, the Company enters into derivative contracts, viz. forward contracts, option contracts, etc., with banks under its risk management policies.

In absence of any specific accounting treatment prescribed in the applicable Accounting Standards to such derivative contracts, other than forward contracts, the Company is applying the principles as set out in Accounting Standard 30 – Financial Instruments - Recognition and Measurement issued by The Institute of Chartered Accountants of India for such instruments, to the extent they do not conflict with existing Accounting Standards and other authoritative pronouncements of Company Law and other regulatory requirements.

Accordingly, the Company records the gain or loss on effective hedges in the hedging reserve until the transactions are complete. On completion, the gain or loss is transferred to the Statement of Profit and Loss of that period. To designate a contract as an effective hedge, Management objectively evaluates at the inception of each contract whether the contract is effective in achieving off setting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, the gain or loss is immediately recognised in the Statement of Profit and Loss.

O. Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions are complied. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds. Revenue grants are recognised in the Statement of Profit and Loss in accordance with the related scheme and in the period in which these are accrued.

P. Employee benefits

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Company, is deducted from the gross obligation. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year and are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

Q. Shares/ Bonds/Debentures issue expenses and premium on redemption

Shares/ bonds/ debenture issue expenses and premium on redemption of debentures, preference shares and bonds are adjusted against the balance in "Securities Premium Account" in accordance with provisions of Section 52 of the Act.

R. Tax provision

Income-tax expense comprises Current Tax and Deferred tax charge or credit. Provision for current tax is made on the assessable Income at the tax rate applicable to the relevant assessment year.

Minimum Alternate Tax (MAT) paid in accordance with the Tax Laws, which gives rise to future economic benefits in the form of adjustment of future Income tax liabilities, is considered as asset, when there is convincing evidence that the company will pay normal income tax.

The deferred tax asset and/or deferred tax liability; is calculated by applying the applicable tax rate as at Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognised in view of the managements' assessment of virtual certainty of its realisation, deferred tax adjustment on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, carrying amount of deferred asset/liability is reviewed and the necessary adjustment to asset or liability is made.

S. Provisions

A provision is recognised when there is present obligation as a result of past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation. These are reviewed at each year end and adjusted to reflect the best current estimates.

T. Impairment of assets

At each Balance Sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. Reversal of impairment loss is recognised immediately as income in the Statement of Profit and Loss.

U. Employees stock options and shares plan (ESOP)

In accordance with SEBI guidelines, the excess of the market price of the shares at the date of grant of options under the ESOP, over the exercise price, is treated as Employee Compensation Expense and amortised on a straight-line basis over the vesting period of options.

2. Share Capital

	Number of Shares		₹ in Million	
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
Authorised				
Equity shares of ₹ 2 each (PY@₹ 2/- each)	926,500,000	926,500,000	1,853.00	1,853.00
Redeemable preference shares of ₹ 100 each (PY ₹ 100 each)	5,000,000	5,000,000	500.00	500.00
Equity shares of ₹ 2 each with Differential voting rights (PY ₹ 2 each)	310,000,000	310,000,000	620.00	620.00
Total			**2,973.00**	**2,973.00**
Issued, subscribed and fully paid up:				
Equity shares: Face value of ₹ 2 each				
Outstanding as at the beginning of the year	443,119,978	435,619,978	886.24	871.24
Ordinary equity shares issued	-	7,500,000	-	15.00
[A] Sub-total	443,119,978	443,119,978	886.24	886.24
[B] Shares issued under Differential Voting Rights (DVR) Shares outstanding at the beginning of the year	19,294,304	19,294,304	38.59	38.59
[B] Sub-total	19,294,304	19,294,304	38.59	38.59
Outstanding as at the end of the year [A] + [B]	**462,414,282**	**462,414,282**	**924.83**	**924.83**

a) Rights, preferences and restrictions attached to equity shares

Each holder of ordinary equity shares is entitled to one vote per share. They have right to receive dividend proposed by the Board of directors and approved by the shareholders in the annual general meeting, right to receive annual report and other quarterly/half yearly/annually reports/notices and right to get new shares proportionately in case of issuance of additional shares by the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of ordinary equity shares held by the shareholde₹ The Company has a first and paramount lien upon all the ordinary equity shares.

b) Terms and conditions of differential voting rights (DVR)

The DVR equity shareholders have the same rights as the ordinary equity shares of the company except voting rights. Every 10 DVR equity shares have one voting right on poll (on show of hands however, they carry 1 vote for every person voting). Any DVR holder holding less than 10 DVR equity shares hold fractional voting rights. The DVR equity shares have right to receive full dividend, to receive annual report and other information/correspondence from time to time, to receive bonus and/or rights shares of the same class of shares as and when such an issue is made in respect of ordinary equity shares and in the same ratio and terms.

In case of buy back or reduction of capital of ordinary equity shares, the DVR equity shares have right subject to buyback or reduction on the same terms as ordinary equity shares. Further, in case of issue of ordinary equity shares or any other securities or assets to ordinary equity shares in case of amalgamation/demerger/ re-organisation/reconstruction, the DVR equity shares have right to receive DVR equity shares and any other securities/assets as issued to ordinary equity shares. They have right to hold separate class meeting if their rights are affected in any manner adversely.

c) Refer note 31 and 1 (U) for disclosure related to employee stock option plan

d) Shareholders holding more than 5% of equity share capital/equity share capital with differential voting rights

(Equity shares of ₹ 2 each)

Name of the Shareholder	31-Mar-2015				31-Mar-2014			
	Ordinary equity shares		DVR		Ordinary equity shares		DVR	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Jalgaon Investments Pvt. Ltd.	104,105,000	23.49%	4,830,250	25.03%	104,105,000	23.49%	4,830,250	25.03%
MKCP Institutional Investor (Mauritius) II Ltd.	35,154,335	7.93%	-	-	35,154,335	7.93%	-	-

₹ In Million

	31-Mar-2015	31-Mar-2014
3. Reserves and Surplus		
Capital reserve		
Balance at the beginning of the year	743.91	743.91
Balance at the end of the year	**743.91**	**743.91**
Capital redemption reserve		
Balance at the beginning of the year	896.72	896.72
Balance at the end of the year	**896.72**	**896.72**
Securities premium account		
Balance at the beginning of the year	10,538.71	9,998.36
Add: On issue of 75,00,000 equity shares of ₹ 84.30/- each	-	632.25
Less: FCCB Redemption Premium	-	(78.59)
Less: Equity Share issue expenses	-	(13.31)
Balance at the end of the year	**10,538.71**	**10,538.71**
Share options outstanding account *(refer note 1 (U) and 31)*		
Employee stock option (outstanding)	29.59	29.59
Balance at the end of the year	**29.59**	**29.59**
General Reserve		
Balance at the beginning of the year	2,070.12	2,041.03
Add: Transferred from Statement of Profit and Loss	15.82	29.09
Balance at the end of the year	**2,085.94**	**2,070.12**
Foreign currency translation reserve		
Balance at the beginning of the year	573.64	214.11
Movement during the year	(502.64)	359.53
Balance at the end of the year	**71.00**	**573.64**
Surplus		
Balance at the beginning of the year	5,977.97	6,684.25
Profit for the year	553.89	(398.20)
Transferred to general reserve	(15.82)	(29.09)
Opening balance of retained earning "Sustainable Agro-Commercial Finance Ltd."	-	(8.49)
Transitional effect of deprecation (refer note 38)	(187.40)	-
Deferred tax expenses on above	57.91	-
Proposed equity dividend (CY ₹ 0.50 per share) (PY ₹ 0.50 per share)	(231.21)	(231.21)
Provision for dividend tax on equity dividend	(47.06)	(39.29)
Balance at the end of the year	**6,108.28**	**5,977.97**
TOTAL	**20,474.15**	**20,830.66**
4. Money received against share warrants		
Balance at the beginning of the year	-	161.81
Add: Received during the year	-	485.44
Less: Allotment of Shares during the year	-	(647.25)
TOTAL	**-**	**-**
5. Long term borrowings		
Term Loans (secured)		
- From banks	5,563.46	4,336.92
- From others	9,881.76	9,526.13
Deferred Credit from Supplier (unsecured)	1,253.01	1,815.86
Foreign Currency Convertible Bonds(FCCB-unsecured)	3,129.54	3,004.99
Other loans (unsecured)	79.74	10.22
Current maturities of long term borrowings(refer note 11)	(2,950.63)	(3,717.49)
TOTAL	**16,956.88**	**14,976.63**

₹ In Million

	31-Mar-2015	31-Mar-2014
6. Deferred tax asset and liability		
Deferred tax liability (Net)		
Depreciation	2,529.36	2,549.92
Disallowances under section 43B of the Income Tax Act, 1961	(54.87)	(117.69)
Carried forward business losses	(1,125.00)	(997.44)
Other current assets/ liabilities	(148.34)	(23.07)
	1,201.15	1,411.72
Deferred tax asset (Net)		
Depreciation	(191.86)	(233.38)
Carried forward business losses	1,326.52	1,226.11
Other current assets/ liabilities	223.74	201.52
	1,358.40	**1,194.25**
Net deferred tax (assets)/liabilities at the end of year	(157.25)	217.47
Net deferred tax (assets)/liabilities at the beginning of year	217.47	912.14
Transitional effect of deprecation adjusted against reserves and surplus (refer note 38)	57.91	-
Deferred tax expense for the year	**(316.81)**	**(694.67)**
7. Other long term liabilities		
Derivative liability	68.39	87.48
Premium on FCCB redemption	190.59	103.93
Other liabilities	113.26	65.88
TOTAL	**372.24**	**257.29**
8. Long term provisions		
Provision for leave encashment (unfunded) [refer note 1(P)]	87.12	64.30
TOTAL	**87.12**	**64.30**
9. Short term borrowings		
Working capital loan (secured)	21,007.22	21,261.95
Other loans (unsecured)	1,394.15	627.20
TOTAL	**22,401.37**	**21,889.15**
10. Trade payables		
Trade payables		
Dues to micro and small enterprises	-	-
Dues to others	13,568.28	13,432.69
TOTAL	**13,568.28**	**13,432.69**
11. Other current liabilities		
Current maturities of long term borrowings (refer note 5)	2,950.63	3,717.49
Current maturities of long term liabilities	5.37	15.18
Interest accrued but not due on borrowings	258.54	206.68
Unpaid dividend^	9.13	8.13
Advances from customers	1,420.05	691.42
Payable against slump sale	436.39	504.53
Outstanding liability for expenses	768.01	762.22
Security deposits	376.47	328.74
Statutory liabilities	289.46	253.95
Liability towards employee benefits (includes director's commission)	351.88	319.71
Excise duty on year end finished goods	110.67	110.98
Creditors for capital goods	150.10	218.79
Income received in advance	23.87	-
Others (includes overdrawn bank balances)	133.44	441.67
TOTAL	**7,284.01**	**7,579.49**
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund.		
12. Short term provisions		
Gratuity and other employee benefits (including leave encashment) [refer note 1(P)]	187.05	182.88
Income tax - current tax	63.08	98.61
Wealth tax	0.49	0.39
Proposed equity dividend	231.21	231.21
Dividend tax on proposed equity dividend	47.06	39.29
TOTAL	**528.89**	**552.38**

13. [A] Tangible assets [refer note 1(E), 1(G) and 1(T)]

₹ in Million

Particulars	As at April 1, 2014	Gross Block: Acquisition/ Amalgamation	Gross Block: Addition For the Year [3] & [4]	Gross Block: Adjusted/ disposal	Gross Block: Translation difference	Gross Block: As at March 31, 2015	Depreciation: As at April 1, 2014	Depreciation: Acquisition/ Amalgamation	Depreciation: Adjusted/ Written Back	Depreciation: For the year	Depreciation: Translation difference	Depreciation: As at March 31, 2015	Net Block: As at March 31, 2015	Net Block: As at March 31, 2014
Free hold land	1,649.69	-	33.96	-	(5.05)	1,678.60	-	-	-	-	-	-	1,678.60	1,649.69
Lease hold land	5.07	-	-	(0.06)	-	5.01	-	-	-	-	-	-	5.01	5.07
Factory buildings and godowns[1] & [2]	5,785.84	-	457.59	-	(2.99)	6,240.44	1,113.25	-	66.20	278.50	2.29	1,460.24	4,780.20	4,672.59
Green/poly/shed houses	358.71	-	25.25	-	-	383.96	150.97	-	-	31.04	-	182.01	201.95	207.74
Plant and equipment's [3]	27,861.66	2.42	1,757.27	(54.75)	(445.80)	29,120.80	10,572.50	2.20	(8.98)	1,787.03	(147.18)	12,205.57	16,915.23	17,289.16
Furniture and fixtures	548.92	0.48	22.99	(7.60)	(33.74)	531.05	434.50	0.48	(0.21)	23.23	(28.72)	429.28	101.77	114.42
Vehicles	582.46	0.10	22.79	(31.78)	(8.80)	564.77	319.90	0.08	(28.04)	72.13	(6.20)	357.87	206.90	262.56
Office equipment	366.92	0.31	21.93	(8.18)	(1.97)	379.01	186.78	-	42.36	58.99	(2.26)	285.87	93.14	180.14
Live stock	0.42	-	-	-	-	0.42	-	-	-	-	-	-	0.42	0.42
Orchard activities	251.54	-	-	-	-	251.54	44.42	-	-	19.28	-	63.70	187.84	207.12
Leasehold improvements	627.36	0.08	14.45	(33.80)	(7.31)	600.78	212.36	0.13	(4.18)	40.66	(8.18)	240.79	359.99	415.00
TOTAL [A]	**38,038.59**	**3.39**	**2,356.23**	**(136.17)**	**(505.66)**	**39,756.38**	**13,034.68**	**2.89**	**67.15**	**2,310.86**	**(190.25)**	**15,225.33**	**24,531.05**	**25,003.91**

[B] Intangible assets [refer note 1(F)]

₹ in Million

Particulars	Gross Block: As at April 1, 2014	Gross Block: Acquisition/ Amalgamation	Gross Block: Addition For the Year	Gross Block: Adjusted/ Disposal	Gross Block: Translation difference	Gross Block: As at March 31, 2015	Amortisation: As at April 1, 2014	Amortisation: Acquisition/ Amalgamation	Amortisation: Adjusted/ Written Back	Amortisation: For the year	Amortisation: Translation difference	Amortisation: As at March 31, 2015	Net Block: As at March 31, 2015	Net Block: As at March 31, 2014
Goodwill	246.01	49.12	-	-	9.83	304.96	79.74	-	-	51.75	3.99	135.48	169.48	166.27
Trademarks	43.06	-	-	-	0.14	43.20	31.32	-	-	0.23	(1.39)	30.16	13.04	11.74
Computer software	256.17	-	22.34	(7.39)	(16.08)	255.04	132.84	0.08	(0.88)	51.39	(10.77)	172.66	82.38	123.33
Technical knowhow	12.76	-	-	-	-	12.76	5.02	-	-	2.05	-	7.07	5.69	7.74
Patents	57.27	4.67	7.81	-	(5.25)	64.50	10.61	-	-	2.91	(1.18)	12.34	52.16	46.66
Licensing agreement	52.59	-	-	-	2.18	54.77	52.01	-	-	0.58	2.18	54.77	-	0.58
Non-Compete fees	81.67	-	-	-	2.45	84.12	74.55	-	-	2.42	(3.59)	73.38	10.74	7.12
Product development	458.48	5.70	0.66	-	(8.30)	456.54	317.88	-	(0.57)	25.19	(8.22)	334.28	122.26	140.60
Water Rights	75.13	-	-	-	-	75.13	3.76	-	-	7.51	-	11.27	63.86	71.37
TOTAL [B]	**1,283.14**	**59.49**	**30.81**	**(7.39)**	**(15.03)**	**1,351.02**	**707.73**	**0.08**	**(1.45)**	**144.03**	**(18.98)**	**831.41**	**519.61**	**575.41**
Grand Total [A+B]	**39,321.73**	**62.88**	**2,387.04**	**(143.56)**	**(520.69)**	**41,107.40**	**13,742.41**	**2.97**	**65.70**	**2,454.89**	**(209.23)**	**16,056.74**	**25,050.66**	**25,579.32**
Previous Year	**35,966.68**	**13.53**	**3,419.47**	**(1,006.68)**	**928.73**	**39,321.73**	**11.640.09**	**0.42**	**(457.63)**	**2,056.84**	**502.69**	**13,742.41**	**25,579.32**	**24,326.59**
[C] Capital work in progress (refer note 1(H))													**525.90**	**806.88**

1) Building includes tenancy rights gross value CY ₹ 42.55 million (PY ₹ 42.55 million)
2) Depreciation of ₹ 14.35 Million (PY ₹ 11.44 million) on heavy vehicles being used for site development during the year is capitalized.
3) Interest capitalized during the current year includes ₹ Nil (PY ₹ 24.94 million on which depreciation calculated was ₹ 0.47 million)
4) Fixed assets addition during the year includes cost of self-constructed assets amounting to ₹ 644.33 million (PY ₹ 845.96 million)

14. Non-current investments [refer note 1(K)]

	Numbers		₹ In Million	
	31-Mar-2015	31-Mar-2014	31-Mar-2015	31-Mar-2014
Investment in equity instruments (quoted) – Equity shares of ₹ 10 each – fully paid)				
Reliance Industries Ltd.	90	90	0.00	0.00
Reliance Communication Ltd.	45	45	0.00	0.00
Reliance Infrastructure Ltd.	3	3	0.00	0.00
Reliance Capital Ltd.	2	2	0.00	0.00
Reliance Power Ltd	11	11	0.00	0.00
Finolex Industries Ltd.	75	75	0.00	0.00
Union Bank of India	908	908	0.11	0.11
			0.11	0.11
Investments in equity instruments – fully paid (unquoted)				
Shares of Astitwa Co-Op. Housing Society Ltd.	25	25	0.00	0.00
Shares of ₹ 100 each of Sarjan Members Association	5	5	0.00	0.00
Shares of ₹ 50 each of Rajdeep Vrundavan Co-Op. Housing Society	15	15	0.00	0.00
Shares of Edlabad Sut Girni Co-Operative Society Ltd.	200	200	0.00	0.00
Shares of ₹ 250 each of Shrinathjee Co-Op. Housing Society Ltd.	20	20	0.01	0.01
Sustainable Agro Comm.Fin.Ltd.Equity Shares of ₹10/-each fully paid up #				
Investment in SAFL 588.01				
Add : Share of Profit 8.43	58,800,000	-	596.44	-
Linking Shares of ₹ 25 each of Jalgaon Janta Sahakari Bank Ltd.	1,849	1,849	0.04	0.04
			596.49	0.05
Investment in government or trust securities(unquoted)				
Indira vikas patra			0.01	-
			0.01	-
Investment in mutual funds / bonds				
Units of YES Bank-II Tier NC Bond @ ₹ 10.00 Lacs each	10	10	10.00	10.00
Industrial Finance Corporation of India Ltd.NCD @1,000 each	5,000	-	5.00	-
Unit of Canara Bank @ ₹10.00 each	900,000	400,000	9.00	4.00
TOTAL			**620.60**	**14.16**
Aggregate amount of quoted investments				
(Market value ₹ 0.23 million, PY ₹ 0.22 million)			0.11	0.11
Aggregate amount of unquoted investments			620.68	14.05

Subsidiary till March 30, 2015 & associate company thereafter

	31-Mar-2015	31-Mar-2014
	₹ In Million	
15. Long term loans and advances (unsecured, considered good)		
Capital advances	429.84	314.64
Security deposits	1,702.62	1,489.03
Advance tax (net of provisions)	353.53	294.34
Advances recoverable in cash or kind or for value to be received Prepaid expenses	287.79	278.50
Others	177.23	822.26
TOTAL	**2,951.01**	**3,198.77**
16. Other non-current assets		
Incentive receivables	236.09	33.05
Share application money	17.50	7.50
MAT credit entitlement	1,082.07	983.81
Fixed deposit having maturity more than 12 months	3.78	20.48
Others	107.93	13.32
TOTAL	**1,447.37**	**1,058.16**

₹ In Million

	31-Mar-2015	31-Mar-2014
17. Inventories		
Raw materials and components	5,058.39	4,592.56
Raw material in transit	268.44	786.20
Work-in-Progress	195.30	254.32
Finished goods	12,337.37	11,117.77
Finished goods in transit	14.39	778.28
Stores and spares	667.85	798.25
Stores and spares in transit	24.14	36.50
TOTAL	**18,565.88**	**18,363.88**
Please refer note 1(L) for mode of valuation of inventory		
18. Trade receivables		
Unsecured		
Good	19,540.97	17,994.04
Considered doubtful	764.07	625.95
Less : Provision for doubtful debts	(764.07)	(625.95)
TOTAL	**19,540.97**	**17,994.04**
19. Cash and bank balances		
Cash and cash equivalents		
Cash on hand	76.20	57.60
Bank balances		
- Current accounts	2,906.58	784.53
- Unpaid dividend bank account	9.13	8.13
- Fixed deposits (having maturity less than 3 months)	18.09	1,089.72
	3,010.00	1,939.98
Other bank balances		
In margin accounts	31.11	28.17
TOTAL	**3,041.11**	**1,968.15**
20. Short term loans and advances (unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received:		
Trade purchases	3,289.13	4,117.07
Others (including prepaid expenses, employee advances etc.)	1,337.14	1,488.50
Balance with collectorate of Central Excise and Customs	5.02	6.62
TOTAL	**4,631.29**	**5,612.19**
21. Other current assets		
Claims receivables	1,533.86	1,585.34
Incentive receivable	1,147.00	1,353.07
Interest receivable	6.99	5.70
Other current assets	821.23	1,197.88
TOTAL	**3,509.08**	**4,141.99**

₹ In Million

	2014-15	2013-14
22. Revenue from operations [refer note 1(c)]		
Sale of products	67,452.26	64,911.97
Sales return	(988.88)	(1,063.12)
	66,463.38	63,848.85
Trade, other discounts and allowances	(6,006.02)	(5,284.81)
	60,457.36	58,564.04
Sale of services	1,616.57	472.21
	62,073.93	59,036.25
Other operating revenues:		
Incentives and assistances	1,018.64	823.23
TOTAL	**63,092.57**	**59,859.48**

₹ In Million

	31-Mar-2015	31-Mar-2014
23. Other income		
Dividend income	0.02	8.02
Interest on deposits and others [refer note 1(c)]	190.34	105.98
Profit on sale of fixed assets (net)	32.34	4.53
Profit on sale of business on slump sale	-	153.16
Sundry balances appropriated [refer note 1(c)]	21.77	9.20
Provisions no longer required	31.68	15.90
Income from other services	0.09	0.06
Miscellaneous income	133.76	166.14
TOTAL	410.00	462.99
24. Cost of materials consumed		
Raw Materials (including packaging materials)		
Opening stock	4,592.56	4,771.75
Addition on acquisition of business	8.02	-
Purchases	36,075.54	33,731.24
	40,676.12	38,502.99
Closing stock	(5,058.39)	(4,592.56)
TOTAL	35,617.73	33,910.43
25. Changes in inventories of finished goods and work in progress		
Closing stock		
- Finished goods (excludes material in transit)	12,337.37	11,117.77
- Work in process	195.30	254.32
	12,532.67	11,372.09
Opening stock		
- Finished goods	(11,117.77)	(10,633.93)
- Work in process	(254.32)	(248.27
	(11,372.09)	(10,882.20)
Increase /(decrease) in excise duty finished goods	0.31	11.99
TOTAL	1,160.89	501.88
26. Employee benefit expenses		
Salaries, wages, bonus, gratuity etc.	6,200.35	5,718.28
Contribution to provident and other funds	208.96	195.11
Staff welfare expenses	249.05	227.91
TOTAL	6,658.36	6,141.30
27. Finance costs		
Interest on term loans	1,099.53	941.94
Interest on working capital loans	2,520.99	2,344.64
Interest on others	93.21	86.81
Discounting charges and interest	554.44	800.41
Bank commission and charges	424.59	502.65
TOTAL	4,692.76	4,676.45
28. Other expenses		
Consumption of stores and spare parts	487.83	646.36
Power and fuel	2,047.56	1,909.21
Agency charges for installation	369.99	157.91
Project site general expenses	538.70	226.96
Rent (refer note 32)	650.02	534.56
Repairs and maintenance	239.46	233.69
Freight	1,348.10	1,227.06
Processing charges	1,007.39	882.44
Export selling expenses	670.03	695.36
Legal and Professional Consultancy Fees	444.06	376.80
Travelling and conveyance expenses	679.67	562.64
Communication expenses	99.46	106.24
Commission and brokerage	625.97	597.59
Advertisement and sales promotion expenses	386.77	307.10
Cash discount	354.37	68.54

₹ In Million

	31-Mar-2015	31-Mar-2014
Other expenses (Contd...)		
Irrecoverable claims	320.26	250.60
Bad debts and bad advances	140.28	73.75
Provisions for bad and doubtful debts	167.38	181.30
Donation	3.88	1.60
Insurance	184.17	163.84
Rates and taxes	59.33	53.21
Director's sitting fees	2.01	1.31
Commission to directors	3.0	-
Vehicle expenses	206.45	224.82
CSR expenses#	23.98	35.59
Miscellaneous expenses	1,700.79	1,886.18
TOTAL	**12,760.91**	**11,404.66**

CSR expenditure

a) Gross amount required to be spent during the year ₹ 23.98 million

b) Amount spent during the year on :

₹ In Million

Sr. No	Particulars	In Cash	Yet to be paid in Cash	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	23.98	-	23.98

₹ In Million

	31-Mar-2015	31-Mar-2014
28A Exceptional items		
Loss on foreign currency transaction and translation	763.01	2,300.37
TOTAL	**763.01**	**2,300.37**
29. Current tax		
Current tax	175.98	232.97
Short provision of income tax for earlier years (net)	-	0.06
MAT credit (entitlement) utilised	(98.26)	-
TOTAL	**77.72**	**233.03**
30. Consolidated earnings per share (EPS)		
Profit/(Loss) for the year	553.89	(398.20)
Amount available for equity share holders	553.89	(398.20)
Weighted average number of equity shares for basic EPS [nos.]	462,414,282	455,160,857
Number of potential equity shares under ESOP and FCCB	137,917	137,917
Weighted average number of equity shares including potential equity shares for diluted EPS [nos.]	462,552,199	455,298,774
Basic EPS ₹	**1.21**	**(0.87)**
Diluted EPS ₹	**1.21**	**(0.87)**

31. Employee stock option plan

Employee stock options and shares plan 2005 (ESOP) - out of 15,356,000 stock options, Nomination and Remuneration Committee (formerly Compensation committee) compensation committee of the company has approved/ allotted following options to the eligible employees including working & non-executive directo₹

Particulars	Lot No. 1	Lot No. 2	Lot No. 3	Lot No. 4
Number of ESOP's allotted (face value of ₹ 2 per equity share)	2,500,000	2,500,000	2,500,000	2,500,000
Date of issue	27-Jan-07	04-Jun-07	14-Feb-08	27-Jun-08
Market price on the date of issue (NSE, Mumbai)	410.35	459.40	630.15	476.20
Discount offered as per terms	25%	10%	10%	10%
Option exercise price	307.76	413.46	568.00	428.58
Post split option exercise price^	61.55	82.69	113.60	85.72
Vesting period	1 Year	3 Years	3 Years	3 Years
Options exercised during FY 2014-15	Nil	Nil	Nil	Nil
Total options exercised till March 31, 2015	2,358,050	2,224,625	2,471,250	Nil
Balance	141,950	275,375	28,750	2,500,000
Options lapsed	Nil	Nil	Nil	Nil

The discount to market price on above ESOP has been accounted/ amortized in the annexed accounts based on vesting period and as per the accounting policies specified in Schedule 1 of the ESOP Guidelines issued by the SEBI.

No employee has been issued options entitling such person to subscribe more than 1% of Equity Share Capital of the Company. Out of the total 10,000,000 ESOPs granted, as of March 31, 2015, 7,053,925 ESOPs have been converted into equity shares of the Company.

^ pursuant to resolution passed in AGM on September 27, 2013, the issue price has been revised to 10% discounted price of share price existed on date of AGM or price as may be determined by ESOP committee from time to time.

32. Leases

The company has entered into "Operating lease for premises" as defined in the Accounting Standard 19 (AS-19). Significant terms of the lease agreement are:

a) No transfer of ownership on termination of lease,

b) No compensation for transfer on termination of lease,

c) No renewal of lease on expiry of the lease period.

The future minimum lease payments (MLP) under non-cancelable operating lease in the aggregate and for each of the following periods are as under

₹ In Million

Particular	31-Mar-2015	31-Mar-2014
Not later than one year	296.07	244.73
Later than one year and not later than five years	709.73	638.25
Later than five years	730.77	795.90
Aggregate amount of operating lease rent debited to statement of Profit and loss during the year is ₹ 650.02 million. (PY ₹ 534.56 million)		

₹ In Million

	2014-15	2013-14
33. Segment Information		
A) Information about business segments		
1 Segment revenue		
a] Hi-tech agri input products	38,315.99	36,346.72
b] Industrial products	21,944.41	20,164.89
c] Non-conventional energy	1,266.10	1,769.70
Net sales income from operations	**61,526.50**	**58,281.31**
2. Segment results:		
a] Hi-tech agri input products	5,319.83	5,190.72
b] Industrial products	2,182.26	1,919.73
c] Non-conventional energy	132.20	271.10
	7,634.29	**7,381.55**
Un-allocable expenditure (net)		
Less: i) Interest	4,692.76	4,676.45
ii) Taxation (including short provision)	(239.09)	(461.64)
iii) Others (net of income)	2,626.73	3,564.94
Profit/(Loss) after tax	**553.89**	**(398.20)**

3. Other Information ₹ In Million

Particulars	Hi-tech Agri Input Products	Industrial Products	Non-Conventional energy	Others Un-allocable	Total
2014-15					
Segment assets	44,105.67	26,205.76	4,657.03	-	74,968.46
Unallocated corporate assets	-	-	-	8,830.46	8,830.46
Total assets	**44,105.67**	**26,205.76**	**4,657.03**	**8,830.46**	**83,798.92**
Segment liabilities	15,230.68	12,994.37	1,612.57	-	29,837.62
Unallocated corporate liabilities	-	-	-	32,562.32	32,562.32
Total liabilities	**15,230.68**	**12,994.37**	**1,612.57**	**32,562.32**	**62,399.94**
Capital expenditure	1,039.74	741.80	117.35	193.74	2,092.63
Depreciation/ amortization	1,221.45	799.62	209.05	210.43	2,440.55
Non-cash items	255.23	214.16	28.40	130.13	627.92
2013-14					
Segment assets	45,348.84	23,133.29	5,059.29	-	73,541.42
Unallocated corporate assets	-	-	-	8,582.49	8,582.49
Total assets	**45,348.84**	**23,133.29**	**5,059.29**	**8,582.49**	**82,123.91**
Segment liabilities	14,534.00	13,007.36	1,561.13	-	29,102.49
Unallocated corporate liabilities	-	-	-	31,265.93	31,265.93
Total liabilities	**14,534.00**	**13,007.36**	**1,561.13**	**31,265.93**	**60,368.42**
Capital expenditure	975.09	1,390.77	(695.67)	638.59	2,308.78
Depreciation/ amortisation	1,068.93	628.28	225.57	122.62	2,045.40
Non-cash items	237.73	197.65	-	70.27	505.65

₹ In Million

	2014-15	2013-14
B) Information about geographical segments		
India	33,524.65	31,649.76
Europe	12,438.24	9,873.13
USA	6,028.46	5,759.17
Rest of the world	9,535.15	10,999.25
	61,526.50	**58,281.31**

Notes:

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and returns of these segments.
- The Company has disclosed Business segment as the primary segment and type of products and services in each segment: a) Hi-tech Agri Input Products: Micro & Sprinkler Irrigation, PVC Pipes, Bio-tech Tissue Culture. b) Industrial Products : PVC & PC Sheets, PE Pipes, Onion & Vegetable Dehydration, Fruit Processing. c) Non-conventional Energy: Wind Energy, Solar & Bio- gas.
- The revenue and results figure given above are directly identifiable to respective segments and expenditure on common services incurred at the corporate level are not directly identifiable to respective segments have been shown as "Other Un-allocable expenditure".
- The Other information figures given above are directly identifiable to respective segments and information for corporate services for head office and investments related to acquisitions have been shown as "Others Un-allocable".

34. Related party transactions

A] Related parties and their relation

[1] Companies/ Firms in which Director, Director's relatives are Directors/Shareholders/Partners:

Companies

Jain Extrusion & Molding Pvt. Ltd.,
Jain Vanguard Polybutelyne Ltd.,
Atlaz Technology Pvt. Ltd,
JAF Products Pvt. Ltd,
Jalgaon Investment Pvt. Ltd.,
Jain Rotfil Heaters Pvt. Ltd.,
Jain e-agro.com India Pvt. Ltd.
Aadhunik Hi Tech Agriculture Pvt. Ltd.,
Kantabai Bhavarlal Jain Family Knowledge Institute
Pixel Point Pvt. Ltd.,
Labh Subh Securities International Ltd.,
Jain Brothers Industries Pvt. Ltd.,
Cosmos Investment & Trading Pvt. Ltd.,
Stock & Securities (India) Pvt. Ltd.,
Timbron India Pvt. Ltd.
Jain Green Energy Ltd.,
Gandhi Research Foundation

Partnership firms

Jain Computer & Allied Services,
Jalgaon Metal & Bricks Manufacturing Co.,
Jalgaon Udyog,

Proprietorship

PVC Trading House,
Drip & Pipe Suppliers,
Plastic Enterprises,
Jain Sons & Investments Corporation,

Trust

Anubhuti Scholarship Foundation,
Bhavarlal and Kantabai Jain Multipurpose Foundation,

Trust entities

Jain Family Holding Trust
Jain Family Enterprises Trust
Jain Family Trust
Jain Family Investment Trust
Jain Family Investment Management Trust

Foreign companies:

Jain Investments & Finance B.V., Netherland
Jain Overseas Investments Ltd., Mauritius

[2] Key management personnel & designation:

Bhavarlal H. Jain (Chairman)
Anil B. Jain (Managing Director)
Atul B. Jain (Joint Managing Director)
Avdhut V. Ghodgaonkar (Company Secretary)
Ashok B Jain (Vice Chairman)
Ajit B Jain (Joint Managing Director)
R. Swaminathan (Whole Time Director)
Manoj L Lodha (Chief Financial Officer)

[3] Relatives of Key management personnel & designation:

Jyoti Ashok Jain (Wife of Vice Chairman)
Nisha Anil Jain (Wife of Managing Director)
Shobhana Ajit Jain (Wife of Joint Managing Director)
Bhavana Atul Jain (Wife of Joint Managing Director)
Bhamini Swaminathan (Wife of Whole Time Director)
Manisha Manoj Lodha (Wife of Manoj L Lodha)
Ms. Arohi Ashok Jain (Daughter of Vice Chairman)
Master Aatman Ashok Jain (Son of Vice Chairman)
Master Athang Anil Jain (Son of Managing Director)
Ms. Amoli Anil Jain (Daughter of Managing Director)
Ms. Ashuli Anil Jain (Daughter of Managing Director)
Master Abhedya Ajit Jain (Son of Joint Managing Director)
Master Abhang Ajit Jain (Son of Joint Managing Director)
Master Anmay Atul Jain (Son of Joint Managing Director)
Ms. Suchitra R. Swaminathan (Daughter of Whole Time Director)

[4] Associate Company

Sustainable Agro-Commercial Finance Ltd. (associate w.e.f. March 31, 2015)

B] Transactions & balances party-wise

₹ In Million

Sr.	Particulars	[1]	[2]	[3]	[4]	Total
1]	**Transactions**					
[i]	**Sale of Goods**	**20.84**	**-**	**-**	**-**	**20.84**
		(3.14)	*(-)*	*(-)*	*(-)*	*(3.14)*
	Bhavarlal and Kantabai Jain Multipurpose Foundation	1.52	-	-	-	1.52
		(1.05)	*(-)*	*(-)*	*(-)*	*(1.05)*
	Gandhi Research Foundation	0.37	-	-	-	0.37
		(0.37)	*(-)*	*(-)*	*(-)*	*(0.37)*
	Aadhunik Hi Tech Agriculture	18.95	-	-	-	18.95
		(1.72)	*(-)*	*(-)*	*(-)*	*(1.72)*
[ii]	**Rent Expenses**	**2.19**	**20.84**	**16.61**	**-**	**39.64**
		(0.30)	*(2.75)*	*(3.95)*	*(-)*	*(7.00)*
	Ashok B Jain	-	5.16	-	-	5.16
		(-)	*(1.06)*	*(-)*	*(-)*	*(1.06)*
	Ajit B Jain	-	12.41	-	-	12.41
		(-)	*(1.69)*	*(-)*	*(-)*	*(1.69)*
	Atul B Jain	-	3.27	-	-	3.27
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Jyoti Ashok Jain	-	-	4.29	-	4.29
		(-)	*(-)*	*(0.71)*	*(-)*	*(0.71)*
	Nisha Anil Jain	-	-	10.48	-	10.48
		(-)	*(-)*	*(1.82)*	*(-)*	*(1.82)*
	Shobhana Ajit Jain	-	-	0.92	-	0.92
		(-)	*(-)*	*(0.71)*	*(-)*	*(0.71)*
	Bhavana Atul Jain	-	-	0.92	-	0.92
		(-)	*(-)*	*(0.71)*	*(-)*	*(0.71)*
	Drip & Pipe Suppliers	0.28	-	-	-	0.28
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	JAF Products Pvt. Ltd.	0.15	-	-	-	0.15
		(0.10)	*(-)*	*(-)*	*(-)*	*(0.10)*
	Jain Brothers Industries Pvt. Ltd.	1.58	-	-	-	1.58
		(0.10)	*(-)*	*(-)*	*(-)*	*(0.10)*
	Jain Computers & Allied Services	0.18	-	-	-	0.18
		(0.10)	*(-)*	*(-)*	*(-)*	*(0.10)*
[iii]	**Donation**	**10.00**	**-**	**-**	**-**	**10.00**
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Bhavarlal and Kantabai Jain Multipurpose Foundation	10.00	-	-	-	10.00
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
[iv]	**Gift Given**	**-**	**-**	**-**	**-**	**-**
		(22.26)	*(-)*	*(-)*	*(-)*	*(22.26)*
	Bhavarlal and Kantabai Jain Multipurpose Foundation	-	-	-	-	-
		(21.87)	*(-)*	*(-)*	*(-)*	*(21.87)*
	Gandhi Research Foundation	-	-	-	-	-
		(0.39)	*(-)*	*(-)*	*(-)*	*(0.39)*
[v]	**Remuneration & Fees**	**-**	**96.87**	**0.60**	**-**	**97.47**
		(-)	*(100.15)*	*(0.23)*	*(-)*	*(100.38)*
	Ashok B Jain		19.63	-		19.63
		(-)	*(19.63)*	*(-)*	*(-)*	*(19.63)*
	Anil B Jain		19.63	-		19.63
		(-)	*(19.63)*	*(-)*	*(-)*	*(19.63)*

₹ In Million

Sr.	Particulars	[1]	[2]	[3]	[4]	Total
	Ajit B Jain	-	19.63	-	-	19.63
		(-)	*(19.63)*	*(-)*	*(-)*	*(19.63)*
	Atul B Jain		19.63	-	-	19.63
		(-)	*(19.63)*	*(-)*	*(-)*	*(19.63)*
	Swaminathan R.	-	5.32	-	-	5.32
		(-)	*(8.84)*	*(-)*	*(-)*	*(8.84)*
	Manoj L Lodha	-	8.47	-	-	8.47
		(-)	*(8.47)*	*(-)*	*(-)*	*(8.47)*
	A.V. Ghodgaonkar	-	4.56	-	-	4.56
		(-)	*(4.32)*	*(-)*	*(-)*	*(4.32)*
	Athang Anil jain	-	-	0.60	-	0.60
		(-)	*(-)*	*(0.23)*	*(-)*	*(0.23)*
[vi]	**Loans & Other Advances Given**	**2.50**	**16.77**	**-**	**-**	**19.27**
		(33.03)	*(15.89)*	*(2.20)*	*(-)*	*(51.12)*
	Atul B Jain	-	-	-	-	-
		(-)	*(0.12)*	*(-)*	*(-)*	*(0.12)*
	Manoj L Lodha	-	10.12	-	-	10.12
		(-)	*(15.11)*	*(-)*	*(-)*	*(15.11)*
	A.V. Ghodgaonkar	-	6.65	-	-	6.65
		(-)	*(0.66)*	*(-)*	*(-)*	*(0.66)*
	Manisha Manoj Lodha	-	-	-	-	-
		(-)	*(-)*	*(2.20)*	*(-)*	*(2.20)*
	Bhavarlal and Kantabai Jain Multipurpose	1.00	-	-	-	1.00
	Foundation	*(18.00)*	*(-)*	*(-)*	*(-)*	*(18.00)*
	Gandhi Research Foundation	1.50	-	-	-	1.50
		(15.03)	*(-)*	*(-)*	*(-)*	*(15.03)*
[vii]	**Loans and advances repaid**	**15.00**	**4.27**	**0.90**	**-**	**20.17**
		(-)	*(12.59)*	*(1.80)*	*(-)*	*(14.39)*
	Bhavarlal and Kantabai Jain Multipurpose	15.00	-	-	-	15.00
	Foundation	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*
	Manoj L Lodha	-	2.41	-	-	2.41
		(-)	*(12.40)*	*(-)*	*(-)*	*(12.40)*
	A.V. Ghodgaonkar	-	1.86	-	-	1.86
		(-)	*(0.19)*	*(-)*	*(-)*	*(0.19)*
	Manisha Manoj Lodha	-	-	0.90	-	0.90
		(-)	*(-)*	*(1.80)*	*(-)*	*(1.80)*
[viii]	**Deposit given**	**19.68**	**259.99**	**188.94**	**-**	**468.61**
		(-)	(-)	(-)	(-)	(-)
	Ashok B Jain	-	74.25	-	-	74.25
		(-)	(-)	(-)	(-)	(-)
	Ajit B Jain	-	159.12	-	-	159.12
		(-)	(-)	(-)	(-)	(-)
	Atul B Jain	-	26.62	-	-	26.62
		(-)	(-)	(-)	(-)	(-)
	Jyoti Ashok Jain	-	-	39.30	-	39.30
		(-)	(-)	(-)	(-)	(-)
	Nisha Anil Jain	-	-	129.40	-	129.40
		(-)	(-)	(-)	(-)	(-)
	Shobhana Ajit Jain	-	-	10.12	-	10.12
		(-)	(-)	(-)	(-)	(-)
	Bhavana Atul Jain	-	-	10.12	-	10.12
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Drip & Pipe Suppliers	2.39	-	-	-	2.39
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	JAF Products Pvt.Ltd.	0.88	-	-	-	0.88
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Jain Brothers Industries Pvt.Ltd.	15.18	-	-	-	15.18
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Jain Computers & Allied Services	1.23	-	-	-	1.23
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
B)	**Balances Receivables & Payables as on 31-March-2015**					
i]	**Investment in**	**-**	**-**	**-**	**588.01**	**588.01**
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	588.01	588.01
		(-)	*(-)*	*(-)*	*(-)*	*(-)*

₹ In Million

Sr.	Particulars	[1]	[2]	[3]	[4]	Total
[ii]	**Accounts Receivable**	**0.06**	**-**	**-**	**-**	**0.06**
		(265.95)	*(-)*	*(-)*	*(-)*	*(265.95)*
	Gandhi Research Foundation	-	-	-	-	-
		(0.39)	*(-)*	*(-)*	*(-)*	*(0.39)*
	Bhavarlal & Kantabai Jain Multipurpose	-	-	-	-	-
	Foundation	*(0.97)*	*(-)*	*(-)*	*(-)*	*(0.97)*
	Aadhunik Hi-Tech Agriculture Pvt. Ltd	0.06	-	-	-	0.06
		(264.59)	*(-)*	*(-)*	*(-)*	*(264.59)*
[iii]	**Accounts Payable**	**0.57**	**-**	**-**	**1.82**	**2.39**
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Gandhi Research Foundation	0.36	-	-	-	0.36
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	1.82	1.82
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Bhavarlal & Kantabai Jain Multipurpose	0.21	-	-	-	0.21
	Foundation	*(-)*	*(-)*	*(-)*	*(-)*	*(-)*
[iv]	**Advance Given**	**306.68**	**32.79**	**-**	**0.02**	**339.49**
		(319.18)	*(20.28)*	*(0.90)*	*(-)*	*(340.36)*
	Gandhi Research Foundation	265.08	-	-	-	265.08
		(264.58)	*(-)*	*(-)*	*(-)*	*(264.58)*
	Bhavarlal & Kantabai Jain Multipurpose	41.60	-	-	-	41.60
	Foundation	*(54.60)*	*(-)*	*(-)*	*(-)*	*(54.60)*
	Sustainable Agro-Commercial Finance Ltd.	-	-	-	0.02	0.02
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	Manoj L Lodha	-	21.76	-	-	21.76
		(-)	*(14.04)*	*(-)*	*(-)*	*(14.04)*
	A.V. Ghodgaonkar	-	11.03	-	-	11.03
		(-)	*(6.24)*	*(-)*	*(-)*	*(6.24)*
	Manisha Manoj Lodha	-	-	-	-	-
		(-)	*(-)*	*(0.90)*	*(-)*	*(0.90)*
[v]	**Deposit Receivable**	**28.15**	**293.31**	**223.68**	**-**	**545.14**
		(10.00)	*(51.30)*	*(47.04)*	*(-)*	*(108.34)*
	Ashok B Jain	-	70.45	-	-	70.45
		(-)	*(2.71)*	*(-)*	*(-)*	*(2.71)*
	Ajit B Jain	-	174.28	-	-	174.28
		(-)	*(24.59)*	*(-)*	*(-)*	*(24.59)*
	Atul B Jain	-	48.58	-	-	48.58
		(-)	*(24.00)*	*(-)*	*(-)*	*(24.00)*
	Jyoti Ashok Jain			59.50	-	59.50
		(-)	*(-)*	*(23.08)*	*(-)*	*(23.08)*
	Nisha Anil Jain	-	-	144.98	-	144.98
		(-)	*(-)*	*(23.46)*	*(-)*	*(23.46)*
	Shobhana Ajit Jain	-	-	9.60	-	9.60
		(-)	*(-)*	*(0.25)*	*(-)*	*(0.25)*
	Bhavana Atul Jain			9.60	-	9.60
		(-)	*(-)*	*(0.25)*	*(-)*	*(0.25)*
	Jain Brothers Industries Pvt. Ltd	21.99	-	-	-	21.99
		(8.00)	*(-)*	*(-)*	*(-)*	*(8.00)*
	Jalgaon Shop Drip & Pipe Supplier	4.16	-	-	-	4.16
		(2.00)	*(-)*	*(-)*	*(-)*	*(2.00)*
	Jain Computers & Allied Services	1.17	-	-	-	1.17
		(-)	*(-)*	*(-)*	*(-)*	*(-)*
	JAF Products Pvt. Ltd.	0.83	-	-	-	0.83
		(-)	*(-)*	*(-)*	*(-)*	*(-)*

Note: Previous year's figures are given in bracket & italics

Personal guarantees of promoters given to Consortium bank and FI's for various credit facilities provided to the Company and counter guaranteed by the Company is amounting to ₹ 44,740.94 million (PY ₹ 38,356.54 million).

The Company, in its quest for rural development, has supported through investment in buildings, facility and infrastructure in an initiative by Bhavarlal & Kantabai Jain Multipurpose Foundation to establish a residential school called "Anubhuti School" based upon Indian ethos and values. The company also derives benefit from this investment in the form of usage of these facilities; children of company's associates get priority admission into the school, etc.

Company with help of trust will make further efforts to get extra gains from this investment as part of its corporate social responsibility initiative commitments.

[1] * Companies / Firms in which director, director's relatives are Directors / Shareholders / Partners

[2] * Key management personnel

[3] * Relatives of Key management personnel & designation

[4] * Associate Company

35. Contingent liabilities

₹ In Million

[A] Contingent liabilities not provided for in respect of	31-Mar-15	31-Mar-14
i) Claims not acknowledged as debts in respect of:		
- Customs and excise duty [Paid under protest ₹ 59.83 million (PY ₹ 49.83 million)]	570.30	547.27
- Other taxes & levies [Paid under protest ₹ 23.06 million (PY ₹ 23.06 million)]	118.26	74.42
- Others (legal case)	62.08	45.58
ii) Guarantees given by the company's bankers in the normal course of business	4,325.47	2,349.50
iii) Bills discounted with consortium banks	554.19	932.47
iv) Export obligation towards duty saved amount under EPCG scheme	816.45	1,009.81

v) In case of one of our subsidiary, NaandanJain Irrigation Ltd. ("the Company") is committed to pay royalties to the Israeli government based on the sales proceeds from products for which the government participated in financing their research and development. The royalty rate is 2%. The future cumulative royalties expected to be paid in the future will not exceed 100% of the amount of the Government's participation (excluding interest), linked to the exchange rate of the U.S. dollar. The liability balance as on 31-Mar-15 amounted ₹ 3.75 million. (PY ₹16.05 million)

vi) In 2006, one of our subsidiary NaandanJain Irrigation Ltd. ("the Company") filed a claim against one of its customer (the company and the individual), in the amount of approx. NIS 150,000. The customer filed a counter claim in the amount of NIS 2,500,000 for alleged breach of contract and damages caused to him with respect to his commercial activities. Mediation failed. Parties are the midst of filing arguments with respect to the Company preliminary request to reject the strike the claim. Only if this request fails, will the claim proceed to stages whereby the parties will file their evidence regarding the claimed damages.

In respect of (i) above, the company has taken necessary legal steps to protect its position in respect of these claims, which, in its opinion, based on legal advice, are not expected to devolve. It is not possible to make any further determination of the liabilities, which may arise, or the amounts, which may be refundable in respect of these claims.

₹ In Million

[B] Commitments		31-Mar-15	31-Mar-14
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	338.38	515.66
(ii)	Other commitments		
(a)	In case of one of our subsidiary, NaandanJain Irrigation Ltd. ("the Company") has entered into a financing agreement with a leasing company. Pursuant to the agreement, customers interested in purchasing irrigation equipment produced or marketed by the Company under a financing lease, are referred to the leasing company. The leasing company sends the sales proceeds to the Company in cash. The Company has undertaken to pay to the leasing company (instead of the lessees) amounts past due, if any. The amount of credit given by the leasing company at the balance sheet date are specified.	12.80	7.92

36. During financial year 2012-13,one of the step down subsidiary of the company has exercised call option to acquire the remaining shares (49.999%) of NaandanJain Irrigation Ltd., Israel for an amount of USD 34.00 million of which first three installment has been paid and balance USD 15.00 million is payable in three annual installments up to June, 2017. The balance obligation of USD 15.00 million is guaranteed by Exim Bank and is also counter guaranteed by the company.

37. Amounts less than ₹ 5,000 have been shown at actual in brackets since the amounts are rounded off to the nearest million. (One million = Ten Lacs)

38. Pursuant to compliance with the provisions of revised Schedule II of the Companies Act, 2013, (Act) the Management of the Company has reviewed / determined their remaining useful lives of the tangible fixed assets. Accordingly, the depreciation on tangible fixed assets (except that on significant components) is provided for in accordance with the provisions of Schedule II to the Companies Act, 2013. As permitted by Schedule II (as amended) of the Act, the Company would work out revised useful life based on technical evaluation of its significant components and would depreciate them accordingly from the financial year beginning 1st April, 2015. In respect of assets where the remaining useful life is 'Nil', the carrying amount of ₹ 123.70 million (net of tax effect of ₹ 57.91 million) after retaining the estimated residual value as determined by the Management as of 1st April, 2014 has been adjusted against the opening balance of retained earnings as on that date. On account of the above change, depreciation for the current year is higher by ₹ 395.04 million.

39. Comparative previous year's figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary to conform to current year's classification and presentation.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
A. V. Ghodgaonkar	Manoj L. Lodha	Anil B. Jain	Ghanshyam Dass
Company Secretary	**CFO**	**Managing Director**	**Director**

Date : **May 15 , 2015**
Place : **Mumbai**

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of Company	Net Assets i.e. total assets minus total liabilities			Share in profit or loss	
	As % of Consolidated net assets	Amount (₹ in million)		As % of Consolidated profit or loss	Amount (₹ in million)
Parent					
Jain Irrigation Systems Ltd., India	110.35	23,614.84		89.17	493.91
Subsidiaries					
Foreign					
JISL Overseas Limited Mauritius	20.57	4,401.89		0.20	1.10
Jain International Trading BV, Netherlands	18.03	3,857.96		(5.56)	(30.82)
Jain Overseas BV, Netherlands	4.84	1,035.88		(9.55)	(52.91)
Jain (Israel) BV, Netherland	(0.66)	(140.79)		(23.13)	(128.12)
JISL Global SA, Switzerland	0.77	165.58		1.49	8.27
JISL System SA, Switzerland	1.42	303.27		31.76	175.93
Jain Americas Inc., USA	14.10	3,016.56		(38.74)	(214.60)
Jain Europe Ltd., UK	2.24	478.61		36.98	204.82
Jain Irrigation Holding Corp., USA (Consolidated)	7.95	1,701.31		4.11	22.76
Cascade Specialities Inc., USA	1.65	353.33		(11.05)	(61.20)
NaandanJain Irrigation Ltd, Israel (Consolidated)	3.68	787.98		6.98	38.67
The Machines Yvonand SA, Switzerland	2.10	450.11		18.58	102.90
Jain Sulama Sis. San. Ve Tic. A.S., Turkey	1.09	232.33		(49.61)	(274.76)
SQF 2009 Ltd, UK (Consolidated)	1.57	335.79		8.34	46.19
ProTool AG, Switzerland	(0.21)	(44.42)		(2.20)	(12.18)
Ex-Cel Plastics Ltd, Ireland	(0.08)	(16.49)		(4.12)	(22.81)
Gavish Systems Ltd, Israel	(0.17)	(35.69)		(1.01)	(5.58)
Associate					
Indian					
Sustainable Agro-Commercial Finance Ltd.	-	-		1.52	8.43
Total Elimination	(89.25)	(19,099.07)		45.84	253.89
		21,398.98			**553.89**

Note 40 - AOC - 1

Salient Features of financial statement of subsidiary / Associates / Joint Venture as per Companies Act, 2013

Part “A” - Subsidiaries

₹ In Million

Sr No	Name of Subsidiary Company	Reporting currency	*Share capital	Reserve and surplus	Total assets	Total Liabilities	Invest-ments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
1	JISL Overseas Limited, Mauritius	INR	4,635.22	(233.33)	4,740.65	338.76	4,380.81	26.66	1.10	-	1.10	-	
		US$	74.06	(3.73)	75.74	5.41	69.99	0.44	0.02	-	0.02	-	100.00%
2	Jain International Trading BV, Netherlands	INR	8.71	3,849.25	7,376.94	3,518.98	3,369.99	116.01	(30.82)	-	(30.82)	-	
		US$	0.14	61.50	117.86	56.22	53.84	1.90	(0.50)	-	(0.50)	-	100.00%
3	Jain Overseas BV, Netherlands	INR	218.86	817.02	2,965.97	1,930.10	2,100.76	36.78	(52.91)	-	(52.91)	-	
		US$	3.50	13.05	47.39	30.84	33.56	0.60	(0.87)	-	(0.87)	-	100.00%
4	Jain (Israel) BV, Netherland	INR	218.86	(359.65)	3,052.02	3,192.81	2,141.07	30.05	(97.45)	30.67	(128.12)	-	
		US$	3.50	(5.75)	48.76	51.01	34.21	0.49	(1.59)	0.50	(2.10)	-	100.00%
5	JISL Global SA, Switzerland	INR	32.51	133.08	343.58	177.99	87.77	27.72	8.97	0.70	8.27	-	
		CHF	0.50	2.05	5.28	2.74	1.35	0.42	0.14	0.01	0.13	-	100.00%
6	JISL System SA, Switzerland	INR	19.50	283.77	306.94	3.67	130.85	178.23	177.26	1.33	175.93	-	
		CHF	0.30	4.36	4.72	0.06	2.01	2.71	2.69	0.02	2.67	-	100.00%
7	Jain Americas Inc., USA	INR	5,388.76	(2,372.20)	7,171.66	4,155.10	2,893.59	1,178.25	(305.73)	(91.13)	(214.60)	-	
		US$	86.10	(37.90)	114.58	66.39	46.23	19.27	(5.00)	(1.49)	(3.51)	-	100.00%
8	Jain Europe Ltd., UK	INR	1,016.63	(538.02)	4,511.00	4,032.39	265.49	3,662.20	204.82	-	204.82	-	
		GBP	11.00	(5.82)	48.79	43.61	2.87	37.15	2.08	-	2.08	-	100.00%
9	Jain Irrigation Holding Corp., USA (Consol.)	INR	2,013.92	(312.61)	4,511.34	2,810.03	-	4,552.08	26.10	3.35	22.76	-	
		US$	32.18	(4.99)	72.08	44.89	-	74.45	0.43	0.05	0.37	-	100.00%
10	Cascade Specialties Inc., USA	INR	601.49	(248.16)	3,308.73	2,955.40	-	2,181.03	(92.73)	(31.53)	(61.20)	-	
		US$	9.61	(3.96)	52.86	47.22	-	35.67	(1.52)	(0.52)	(1.00)	-	100.00%
11	Naandan Jain Irrigation Ltd, Israel (Consol.)	INR	858.53	(70.55)	6,834.88	6,046.90	-	7,867.37	18.06	(20.61)	38.67	-	
		ILS	54.27	(4.46)	432.08	382.26	-	472.65	1.09	(1.24)	2.32	-	100.00%
12	The Machines Yvonand SA, Switzerland	INR	13.26	436.85	884.07	433.96	24.38	1,306.64	111.60	8.70	102.90	52.70	
		CHF	0.20	6.72	13.60	6.68	0.38	19.83	1.69	0.13	1.56	0.80	100.00%
13	Jain Sulama Sis. San. Ve Tic. A.S., Turkey	INR	1,114.60	(882.27)	1,426.24	1,193.92	-	997.85	(274.76)	-	(274.76)	-	
		TRY	46.41	(36.74)	59.39	49.71	-	36.56	(10.07)		(10.07)	-	100.00%
14	SQF 2009 Ltd, UK (Consol.)	INR	0.01	335.78	2,058.82	1,723.03	-	4,460.26	59.14	12.94	46.19	-	
		GBP	0.00	3.63	22.27	18.64	-	45.25	0.60	0.13	0.47	-	100.00%
15	ProTool AG, Switzerland	INR	13.00	(57.42)	59.03	103.46	-	141.61	(12.16)	0.02	(12.18)	-	
		CHF	0.20	(0.88)	0.91	1.59	-	2.15	(0.18)	-	(0.18)	-	75.00%
16	Ex-Cel Plastics Ltd, Ireland	INR	3.38	(19.86)	760.95	777.44	-	666.42	(26.01)	(3.20)	(22.81)	-	
		EUR	0.05	(0.29)	11.27	11.52	-	8.60	(0.34)	(0.04)	(0.29)	-	100.00%
17	Gavish Systems Ltd, Israel	INR	0.00	(35.69)	41.19	76.88	-	50.16	(5.58)	-	(5.58)	-	
		ILS	0.00	(2.26)	2.60	4.86	-	3.01	(0.34)	-	(0.34)	-	51.00%

As on 31-Mar-2015 average rates 1US$= ₹ 61.1436, 1EUR= ₹ 77.5210, 1GBP= ₹ 98.5731, 1ILS= ₹ 16.6454, 1CHF= ₹ 65.8771, & 1TRY= ₹ 27.2960
As on 31-Mar-2015 closing rates 1US$= ₹ 62.5908, 1EUR= ₹ 67.5104, 1GBP= ₹ 92.4591, 1ILS= ₹ 15.8187, 1CHF= ₹ 65.0114, & 1TRY= ₹ 24.0157.
The above statement also indicates performance and financial position of each of the subsidiaries.
** Share Capital also includes Preference Share Capital.*

Part B - Associate and joint venture

Statement pursuant to Section 129 (3) of the Act related to associate company and joint venture

₹ In Million

Sr No	Name of Associates/Joint Ventures	Latest Audited Balance Sheet date	Shares of associate/joint venture held by the Company on the year end			Net worth attributable to shareholding as per latest audited balance sheet (in ₹)	Profit/(loss) for the year		Description of how there is significant influence	Reason why associate/joint venture is not consolidated
			No.	Amount of investment in associate/joint venture (in ₹)	Extent of holding (%)		Considered in consolidation (in ₹)	Not considered in consolidation (in ₹)		
Associate Company										
1	Sustainable Agro-Commercial Finance Ltd., India	March 31, 2015	5,88,00,000	588.01	49.00%	676.20	8.43	8.77	Refer Note 1	Refer Note 2

Note : 1) Significant influence due to percentage of holding.
2) Because the company does not have more than 51% shareholding directly or indirectly, accordingly there is no controlling interest.

For and on behalf of the Board of Directors

Sd/-
A. V. Ghodgaonkar
Company Secretary

Sd/-
Manoj L. Lodha
CFO

Sd/-
Anil B. Jain
Managing Director

Sd/-
Ghanshyam Dass
Director

Date : May 15 , 2015
Place : Mumbai

REGISTERED OFFICE OF THE ISSUER
Jain International Trading BV
Haaksbergweg 71
1101 BR Amsterdam
Netherlands

REGISTERED OFFICE OF THE PARENT GUARANTOR
Jain Irrigation Systems Limited
Jain Plastic Park, N.H. No. 6, Bambhori
Jalgaon 425001
India

TRUSTEE AND PAYING AGENT
The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

TRANSFER AGENT AND REGISTRAR
The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building — Polaris
2-rue Eugène Ruppert
L-2453 Luxembourg

LEGAL ADVISERS
To the Issuer

As to New York law:
Baker & McKenzie.Wong & Leow
8 Marina Boulevard
#05-01 Marina Bay Financial Centre Tower 1
Singapore 018981

As to Indian law:
Solomon & Co.
3rd Floor, Calcot House
8/10 M.P. Shetty Marg
Fort, Mumbai 400 023
India

To the Initial Purchasers

As to New York law:
Clifford Chance
27th Floor Jardine House
One Connaught Place
Hong Kong

As to Indian law:
AZB & Partners
Peninsula Corporate Park
Ganapatrao Kadam Marg
Lower Parel
Mumbai 400 013
India

To the Trustee

As to New York law:
Mayer Brown JSM
16th-19th Floors
Prince's Building
10 Chater Road
Central
Hong Kong

INDEPENDENT AUDITOR
To the Parent Guarantor
Haribhakti & Co LLP
705, Leela Business Park
Andheri-Kurla Road, Andheri (E)
Mumbai 400 059
India