



Jain Irrigation Systems Ltd.

Small Ideas. Big Revolutions.®

"Leave this world better than you found it."

Founder - Bhavarlal H. Jain (1937 - 2016)

JISL/SEC/2019/10/B-2/B-6

17th October, 2019

To,
Bombay Stock Exchange Ltd.,
Corporate Relationship Department,
1st Floor, New Trading Wing, Rotunda
Building, P. J. Tower, Dalal Street,
Mumbai - 400 001.
Fax No.022- 22723121/22722037(Day)
022-22721072 (Night)
Email: corp.relations@bseindia.com

Ref: Code No. 500219 (BSE) & JISLJALEQS (NSE) for Ordinary Equity shares
Code No. 570004 (BSE) & JISLDVREQS (NSE) for DVR Equity Shares

Re: Your email/letter dated 16.10.2019

Sub: Clarification on news items dated 15.10.2019 under Regulation 30 of the SEBI
(LODR) Regulations, 2015

Dear Sir/Madam,

With respect to your letter /email we have to clarify as follows:

Please refer to the Regulation 30 disclosures sent by the Company to the Exchanges on
Saturday, 12th October, 2019 (CARE) and Sunday 13th October, 2019 (INDIA RATINGS).

Hence, exchange and investors were already aware about rating downgrade.

Please also note that S & P Global on 15th October, 2019 i.e. Tuesday in Singapore issued a
Press Release as they have rated US\$ 200 senior unsecured notes to "CC from CCC" (from
the release) hence the notification/news article does not give any incremental information
that needs to be disclosed to Indian exchanges who were notified well before about Indian
ratings downgrade earlier than Tuesday, 15th October, 2019.

We hope this adequately addresses to your queries.

Please receive the above in order, take on record and acknowledge.

Thanking you,

Yours faithfully,
For Jain Irrigation Systems Limited,


A.V. Ghodgaonkar,
Company Secretary

A Attached is S&P Singapore Press Release

Regd. Off.: Jain Plastic Park, P.O. Box: 72, N.H. No. 6, Jalgaon - 425 001. India.

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CIN: L29120MH1986PLC042028



S&P Global
Ratings

(/en_US/web/guest

/home)

Jain Irrigation Systems Ltd. Downgraded To 'SD' From 'CCC' Following Overdue Payments On Bank Facilities

15-Oct-2019 00:04 EDT

[View Analyst Contact Information](#)

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[Related Criteria](#)

Jain Irrigation Systems Ltd. has missed certain principal payments under its working capital facilities. We see a high likelihood that the company would be classified as a nonperforming asset by its relationship bankers.

Jain Irrigation's bankers have also appointed a restructuring consultant.

We believe the cross-default clause under the company's guaranteed senior unsecured notes may also be triggered by virtue of Jain Irrigation being a guarantor and obligor on the notes.

On Oct. 15, 2019, S&P Global Ratings lowered its long-term issuer credit rating on Jain Irrigation to 'SD' from 'CCC'. At the same time, we lowered our rating on the company's guaranteed US\$200 million senior unsecured notes to 'CC' from 'CCC'.

We removed the ratings from CreditWatch, where they were placed with negative implications on July 26, 2019.

SINGAPORE (S&P Global Ratings) Oct. 15, 2019--S&P Global Ratings today took the rating actions listed above. We lowered our ratings on Jain Irrigation to reflect its missed principal payments of Indian rupee (INR) 3.75 billion under its Indian working capital facilities.

Delayed collection of government receivables and erratic monsoons in India continue to stress Jain Irrigation's cash flows. Delays in the approval of a planned INR4 billion incremental bank loan have compounded Jain Irrigation's business stress and created a liquidity crisis that has caused the company to delay repayments on its existing working capital facilities--in some cases beyond 30 days.

Overdue debt instruments amount to about 5% of Jain Irrigation's total reported debt obligations as of March 31, 2019. This meets the materiality threshold of the senior notes' cross-default clause.

In our opinion, the late exit of monsoons will further cripple Jain Irrigation's cash position over the next two to three months. We see a small chance that the company's business will recover from a pickup in retail business or from collection of receivables from its government contracting business.

We believe Jain Irrigation's international operations are sizable, albeit with significant linkages with the Indian operations. Therefore, in our view, there is a significant likelihood that Jain Irrigation's liquidity crunch would spread to its international business, leading to a default on its U.S. dollar bonds as well.

The 'CC' rating on the US\$200 million note flags our view that default is a virtual certainty, barring unforeseen, material positive developments in Jain Irrigation's operations and relationships with lenders.

Jain Irrigation is also seeking advice from a restructuring consultant appointed by bankers to tide over the liquidity crisis.

Jain Irrigation is an India-based company engaged in the manufacture of plastics-based micro-irrigation piping and plumbing systems. It is the world's second-largest provider of such systems, behind Israel-based Netafim Ltd. The company also has a growing food processing business--which mainly produces fruit pulp, dehydrated onions, and spices.

