



Jain Irrigation Systems Ltd.

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JISL/SEC/2013/11/F-2 & B-6

13th November, 2013

To,
Bombay Stock Exchange Ltd.,
Corporate Relationship Department,
1st Floor, New Trading Wing, Rotunda
Building, P. J. Tower, Dalal Street,
Mumbai - 400 001.

To,
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
BandraKurla Complex,
Bandra (East),
Mumbai - 400 051.

Fax No.022– 22723121/22722037(Day)
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Ref: Code No. 500219 (BSE) & JISLJALEQS (NSE) for Ordinary Equity shares
Code No. 570004 (BSE) & JISLDVREQS (NSE) for DVR Equity Shares

Sub : Press Release

Dear Sir,

Attached is the Press Release of **FITCH (India Rating) upgrades Jain Irrigation to investment grade again Rating Upgraded to “IND BBB- “ from “IND BB+” for Long Term and to “IND A3” from “IND A 4+”** for your record and reference.

Please acknowledge.

Thanking you,

Yours faithfully,
For **Jain Irrigation Systems Ltd.**,

A V Ghodgaonkar
Company Secretary

Press Release

FITCH (India Ratings) Upgrades Jain Irrigation to Investment grade again

Ratings Upgraded to "IND BBB-" from "IND BB+" for Long Term and to "IND A3" from "IND A 4+"

The India Ratings and Research the rating arm of FITCH Ratings group has upgraded Jain irrigation's long term and short term rating to "investment grade" currently from just below the investment grade earlier.

Following the improvement in liquidity profile caused by better receivables management and stabilisation of change of business model in MIS business implemented by the Company as reflected in its recently announced Q2/H1 FY 2014 results on 10th November 2013, the rating agency has upgraded JISL's outlook to "stable" from earlier "negative outlook".

The ratings upgrade will enable the Company to bring its overall cost of debt down in the remaining months in the 2nd Half of FY2014 and also enable it to further improve its short/ medium term working capital management initiatives.

The rating agency also expects JISL to continue to work on its focus on "high quality business and sustainable revenues and a primarily cash based business model", the Press release further confirms JISL's "dominant position in the MIS markets, strong brand image, well diversified product portfolio and the wide distribution network"

Thus, the rating agency in its recent press release of 11th November 2013 says:

QUOTE

" Gross receivables (on 12 months trailing revenue) in the micro-irrigation systems (MIS) segment continued to decline for the fifth consecutive quarter (ended September 2013) i.e. 279 days (FY13: 329 days). This was attributed to the increasing proportion of exports, implementation of cash-based sales in Maharashtra and a reduced exposure to southern states with a higher subsidy recovery back-log. Maharashtra accounts for 46% of sales in micro irrigation systems (MIS). Overall consolidated receivable days declined to 130 days for the quarter ended September 2013 on 12 months trailing basis (FY13: 142 days).

The ratings also reflect the agency's expectation of JISL transitioning to a primarily cash-based business model and focussing on high-quality and sustainable revenue, which is showing early signs of success. For the six months ended September 2013 (1H14), standalone revenue increased 21.4% yoy to INR17.9bn, driven by strong growth in PE pipes (81.4% yoy), dehydrated onion processing (34.5% yoy), MIS (20.5% yoy) and PVC pipes (23.9% yoy). Among non-MIS divisions, PVC pipes registered strong revenue growth on the back of robust demand for agriculture and drinking water applications in rural areas. Other growth contributors were PVC sheets and fruit processing segments. Particularly in the MIS segment, revenue growth was driven by exports (59.4% yoy especially to Africa). Domestic business witnessed growth of 15.2% yoy. Consolidated 1H14 revenue displayed growth of 16.3% yoy to INR26.3bn."

JISL's ratings:

- Long-Term Issuer Rating: upgraded to 'IND BBB-' from 'IND BB+'; Outlook Stable
- INR3.3bn term loans (reduced from INR4.9bn): upgraded to Long-Term 'IND BBB-' from 'IND BB+'
- Proposed INR3bn term loan: assigned Long-Term 'IND BBB-(exp)'
- INR15bn fund-based limits[@]: upgraded to Long-Term 'IND BBB-' from 'IND BB+' and Short-Term 'IND A3' from 'IND A4+'
- Proposed INR1bn fund-based limits: assigned Long-Term 'IND BBB-(exp)' and Short-Term 'IND A3(exp)[#]
- INR9.5bn non-fund-based limits^{*} (reduced from INR10.7bn): upgraded to Short-Term 'IND A3' from 'IND



A4+'and assigned 'IND BBB-'

- Proposed INR4.2bn non-fund based limits: assigned Long-Term 'IND BBB-(exp)[#] and Short-Term 'IND A3(exp)'

- Proposed INR2bn short-term debt: assigned Short-Term 'IND A3(exp)'

- INR3bn commercial paper programme (carved out of the fund-based limits): upgraded to Short-Term 'IND A3' from Short-Term 'IND A4+'

- INR516m short-term debt: Short-Term 'IND A4+' rating withdrawn as the instrument has been repaid in full.

UNQUOTE

A Full version Press release of the India Ratings and Research is available at <http://indiaratings.co.in/showDetails.jsp?fileName=/upload/sectors/pressReleases/ratingsRelated/2013/11/11/indra11Jain.htm&headLine=Ind-%20Upgrades%20Jain%20Irrigation%20to%20%60IND%20BBB-%60;Outlook%20Stable>

About Jain Irrigation (www.jains.com)

Jain Irrigation is a diversified Company with approximately 8,000 employees and a product portfolio encompassing Irrigation Products, Piping Products, Plastic Sheets, Dehydrated Foods, Fruit Puree and Juice concentrates. Jain Irrigation has pioneered drip irrigation for small farmers in India and has a major market share in one of the fastest growing irrigation markets in the world and is also the second largest drip irrigation Company in the world.

DISCLAIMER:

The information in this release has been included in good faith and is for general purposes only. It should not be relied upon for any specific purpose and no representation or warranty is given as regards to its accuracy or completeness. No information in this press release shall constitute an invitation to invest in Jain Irrigation Systems Limited. Neither Jain Irrigation Systems Limited, nor their or their affiliates' officers, employees or agents shall be liable for any loss, damage or expense arising out of any action taken on the basis of this release, including, without limitation, any loss of profit, indirect, incidental or consequential loss.

