

April 30, 2024

Jain Irrigation Systems Limited: Moved to Non-Cooperating category based on best available information, Bank lines ratings withdrawn, NCD amount reduced

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based: Term loan	610.26	0.00	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category and withdrawn
Long-term fund-based: CC	1504.75	0.00	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category and withdrawn
Non-Convertible Debentures	813.80	813.80	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Non-Convertible Debentures	129.19	0.00	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category and withdrawn
Short-term non-fund based: LC	92.54	0.00	[ICRA]A3 ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category and withdrawn
Short-term non-fund based: BG	652.07	0.00	[ICRA]A3 ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category and withdrawn
Total	3802.61	813.80	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has moved the ratings for the bank facilities and non-convertible debentures of **Jain Irrigation Systems Limited** to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BBB-(Stable)/[ICRA]A3; ISSUER NOT COOPERATING".

ICRA has also withdrawn the ratings assigned to the bank facilities on the request of the company and the No Objection Certificate (NOC) provided by the lenders. The withdrawal of the ratings assigned to the bank facilities of the company is in line with ICRA's withdrawal policy. Further, ICRA has withdrawn the rating outstanding on the Rs. 129.19-crore non-convertible debenture programme at the request of the company on account of prepayment of the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings

As part of its process and in accordance with its rating agreement with Jain Irrigation Systems Limited ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here.](#)

ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by a rated entity Policy on Withdrawal of Credit Ratings
Parent/Group support	NA
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company

About the company

Jain Irrigation Systems Limited, established in 1986 was founded by Mr. Bhavar Lal Jain. Over the years, the company has diversified into various segments of agri-business value chain and has presence in (a) micro irrigation systems (MIS) which manufactures range of precision-irrigation products and also provides services like soil survey, engineering design and other solutions; (b) plastic segment comprising of manufacturing of polyvinyl chloride (PVC) pipes, high-density polyethylene (HDPE) pipes, and plastic sheets and (c) other products like tissue culture plants, solar products and other agricultural inputs. The company also has presence in agro- processing segment through a domestic subsidiary.

Key financial indicators (audited)

JISL (Standalone)	FY2022	FY2023	9MFY2024
Operating income	3254	4864	2756
PAT	193.1	153.0	106.0
OPBDIT/OI	9.1%	10.2%	13.4%
PAT/OI	5.9%	3.1%	3.8%
Total outside liabilities/Tangible net worth (times)	0.8	0.8	-
Total debt/OPBDIT (times)	9.5	5.5	-
Interest coverage (times)	1.2	2.0	2.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: CARE Ratings Limited, vide its press release dated March 29, 2023, has disclosed that the rating of Jain Irrigation Systems Limited continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*) and Withdrawn

India Ratings and Research Pvt Ltd, vide its press release dated March 29, 2023, has disclosed that it has maintained Jain Irrigation Systems Limited's (JISL) Long-Term Issuer Rating of 'IND D(ISSUER NOT COOPERATING)' in the non-cooperating category and has simultaneously withdrawn it.

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
		Amount Rated (Rs. crore)	Amount Outstanding as on March 31, 2024 (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				Apr 30, 2024	Apr 03, 2023	-	-
1 Long-term fund-based: Term loan	Long-term	610.26	--	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING and withdrawn	[ICRA]BBB- (Stable)	-	-
2 Long-term fund-based: CC	Long-term	1504.75	--	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING and withdrawn	[ICRA]BBB- (Stable)	-	-
3 Non-Convertible Debentures	Long-term	813.80	--	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)	-	-
4 Non-Convertible Debentures	Long-term	129.19	--	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING and withdrawn	-	-	-
5 Short-term non-fund based: LC	Short-term	92.54	--	[ICRA]A3 ISSUER NOT COOPERATING and withdrawn	[ICRA]A3	-	-
6 Short-term non-fund based: BG	Short-term	652.07	--	[ICRA]A3 ISSUER NOT COOPERATING and withdrawn	[ICRA]A3	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term fund-based: Term loan	Simple
Long-term fund-based: CC	Simple
Non-Convertible Debentures	Simple
Short-term non-fund based: LC	Very Simple
Short-term non-fund based: BG	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long-term fund-based: Term loan	FY2022	6.9% -10.4%	FY2024	610.26	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING and withdrawn
NA	Long-term fund-based: CC	NA	NA	NA	1504.75	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING and withdrawn
INE175A07019	Non-Convertible Debentures	FY2022	0.01%	FY2028	813.80	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING
INE175A07019	Non-Convertible Debentures	FY2022	0.01%	FY2028	129.19	[ICRA]BBB- (Stable) ISSUER NOT COOPERATING and withdrawn
NA	Short-term non-fund based: LC	NA	NA	NA	92.54	[ICRA]A3 ISSUER NOT COOPERATING and withdrawn
NA	Short-term non-fund based: BG	NA	NA	NA	652.07	[ICRA]A3 ISSUER NOT COOPERATING and withdrawn

Source: Company

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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