

Jain Irrigation Systems Ltd — 27 Mar 2026 Credit Rating Summary

Section	Details
Agency	CRISIL Ratings (Report Date: March 27, 2026)
Rating Change	Reaffirmed at BBB- / A3 ; Outlook revised to Negative from Stable.
Outlook	Current: Negative
Key Drivers of Change	Refinancing Risk: ₹689 Cr (NCDs + ECB2) due in FY27 (₹241 Cr in Sept-26; ₹449 Cr in Mar-27) exceeds standalone annual cash flow of ₹200–225 Cr. Stuck Receivables: Project receivables remain high at ₹923 Cr (Dec-25); recovery of ₹196 Cr from old restructuring remains sluggish. Liquidity Mismatch: 100% utilization of ₹1,540 Cr bank limits; debt servicing is contingent on asset sales/QIP rather than operations. Execution Delays: Slow progress in monetizing non-core land (~₹125 Cr) and Maharashtra govt. incentives (~₹150 Cr).
Rated Instruments	NCDs: ₹785.63 Cr
Key Observations	Positives: 13% Revenue growth in 9M-FY26; Hi-tech agri segment grew 27%. - Operating margins improved to 13.9% (vs 13-14% guidance) due to better product mix and lower RM costs. - Market leader in Micro-Irrigation (MIS) with 4,000+ dealer network. Risks: - High Debt/EBITDA; Net Cash Accrual to Adjusted Debt (NCATD) is weak at 0.10x. - Heavy reliance on the proposed ₹500 Cr QIP for deleveraging. - Vulnerability to crude-linked raw material (PVC/PE) price volatility.
Investor Impact	Dilution Risk: High probability of equity dilution via ₹500 Cr QIP and ₹150 Cr warrant conversion to meet debt obligations. Margins: Resilient at ~14%, but upside capped by inability to pass on sudden RM spikes immediately. Growth: Strategic shift toward retail/dealer-led sales (MIS) reduces EPC risk but slows top-line scale-up.
Agency / Cross Analysis	Same Agency (CRISIL): Outlook downgraded from Stable to Negative within 5 months (since Oct-25). Drivers: Agency has lost confidence in the "timely" recovery of EPC receivables and asset monetization. Conclusion: Deterioration. While P&L is recovering, the Balance Sheet liquidity is worsening due to "slow progress" on the resolution plan's secondary inflows.
Final Inference	Serious Risk Signal. The operational recovery (13% growth) is being overshadowed by a looming ₹689 Cr debt wall in FY27. For equity investors, the "Negative" outlook suggests that unless the QIP or land sale closes in the next 3 months, a rating downgrade or liquidity crunch is imminent.