



For immediate dissemination

4th February, 2013

Press Release

Standalone Results for the quarter/nine months ended 31st December 2012 Quarter3 and Nine Months FY2013 Performance

Rs. In Crores

Particulars	Q3/FY2013	Q3/FY2012	9M/FY2013	9M/FY2012
Revenues	750	816	2,197	2,498
EBITDA	138	190	443	601
Exchange Rate Gain/(Loss)	(57)	(71)	(108)	(144)
Finance Charges (Net)	95	92	292	251
PBT	(52)	1	(55)	130
PAT	(31)	1	(12)	95

Jain Irrigation, the largest micro irrigation Company in the country and the second largest globally, has announced standalone results for the quarter and nine months ended 31st December 2012. The net sales for the quarter were at Rs 750 Crores, a decline of 8.1% (against corresponding quarter net sales in FY 2012 of Rs 816 Crores). Fruit processing business has grown by 29.5% to Rs. 63 Crores while PVC pipe business remained flat at Rs. 171 Crores. Tissue Culture & Green Energy businesses have also been the positive performers, recording a growth of 12.0% and 12.7%, respectively albeit on a small base. Under a planned slowdown in Micro Irrigation business, sales were lower by 18.5% in Q3 FY2013. Overall export for the Company remained flat at Rs. 152 Crores during Q3 FY2013. EBITDA for the quarter was at Rs. 138 Crores (Rs. 190 Crores in corresponding quarter FY 2012) showing a de-growth of 27.4%. Overall the finance cost was still high at Rs. 95 Crores. Net loss for the quarter was Rs. 31 Crores mainly due to unrealized forex losses of Rs. 57 Crores.

The Board also approved standalone unaudited results for nine months FY 2013. The net sales for the nine months were at Rs. 2,197 Crores down by 12.1% (Rs. 2,498 Crores in corresponding quarter FY 2012). PVC pipe business grew by 15.1%, agro processing business a de-growth by 6.8%, Tissue Culture and Green Energy have been the star performers, recording a growth of 35.0% and 26.1% respectively during nine months FY 2013. Micro Irrigation business witnessed a de-growth by 28.3% as a part of Company's strategy to evolve new business model which will result in improved cash flow addressing the high Government subsidy receivable issue. Corporate EBITDA for the nine months was at Rs. 443 Crores (Rs. 601 Crores in corresponding quarter FY 2012). The EBITDA has declined due to lower absolute contribution from Micro Irrigation business with lower sales mix in overall business of the quarter apart from high energy and raw material cost.

De-growth in micro irrigation business has been arrested at 18.5% in the current quarter as compared to more than 33.0% de-growth in first two quarters of the year. In current quarter, micro irrigation business is expected to improve further.

Company looks forward to a better Q4 FY 2013 with positive growth momentum. The standalone order book at healthy Rs. 891 Crores is encouraging. While overall monsoon was below par in some of the major States, unprecedented drought situation especially in Maharashtra and resultant lack of water availability in these regions is an area of concern. Company will continue its focus on balance sheet improvement with further reduction in subsidy backed receivables and improved gearing. The Company is receiving acceptance from dealers/farmers in Maharashtra towards changed business model and will further intensify the same in current and future quarters.

During the current quarter, company raised about US Dollar 200 million by way of Equity, FCCB and ECB to meet its objectives of de-leveraging and re-financing short term maturity to long term, to create sustainable business model for Micro Irrigation business, to reduce cost of funds, to tap the opportunities in overseas markets in food and Micro Irrigation business and to create free cash-flow. These funds will get utilised to meet the long term funding requirement of the Company, repayment of short term loans, capital expenditure and investment in affiliate NBFC and overseas subsidiaries over next two quarters. These funds will get fully deployed in business by and March 2013. Hence, interest saving will be seen from 1st quarter next fiscal.

Company's overseas business is continuing positive growth in current quarter at about 2%. Overall, nine months basis, growth in overseas subsidiaries, has helped company to close the negative impact of reduced domestic business. Thus on consolidated basis Company's sales for nine months in current year are Rs. 3,365 Crores (Rs. 3,399 Crores in corresponding quarter FY 2012).

Mr. Anil Jain, Managing Director of the Company said, "This has been another challenging quarter for our domestic performance basically due to erratic monsoon rains, liquidity issues and high input cost. Despite these headwinds, we look forward to end the year March'13, close to last year in terms of revenue and much better balance sheet. We have good amount of orders in hand across the businesses which will help us to augment overall performance of the company in coming quarters, which is the peak season for the Company.

We have also seen improvement in subsidy receivable and as conveyed earlier we expect situation to further improve in over next two quarters. Overall gross receivables are down by about Rs. 500 Crores in first nine months of company's operations. The operations of Sustainable Agro –Commercial Finance Limited (SAFL - NBFC arm) shall help to rebuild growth in Micro Irrigation business next year apart from integrated end-to-end water conservation projects.

About Jain Irrigation (www.jains.com)

Jain Irrigation is a diversified Company with more than 8,000 employees and a product portfolio encompassing Irrigation Product, 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.