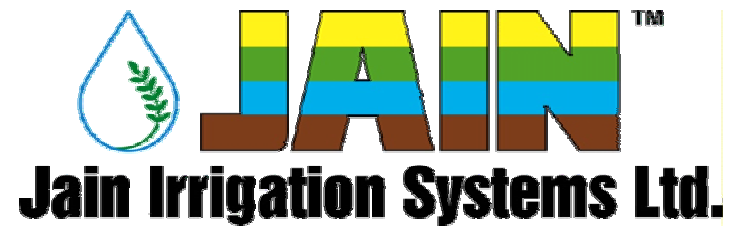


## CORPORATE PRESENTATION



“More Crop Per Drop”

March – 2011

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## Founder: Dr. Bhavarlal Jain (Bhau)



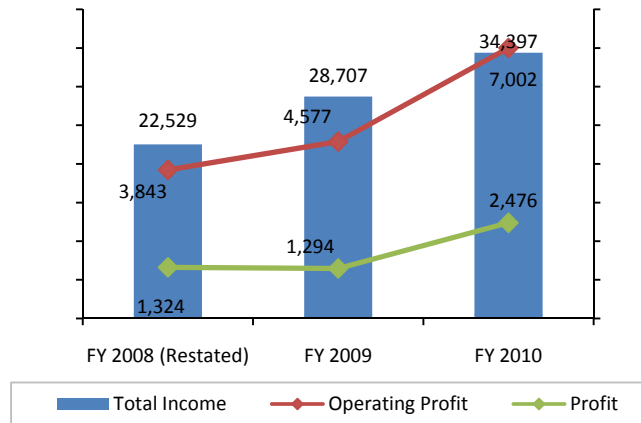
**Born in a farmer's family in the tiny village (Wakod, Jalgaon)  
Founder Chairman began in 1963 as trader in agriculture inputs and equipments**

# Jain Irrigation – Snapshot

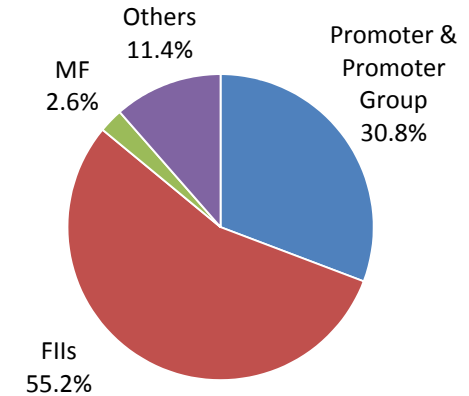
## Introduction

- One of India’s leading agriculture solution providers with presence across the agro-business value chain
- Wide distribution presence – over 2500 dealers in India and distributors internationally
- Manufacturing facilities and offices in 17 countries

## Financial Snapshot (Rs Mn)

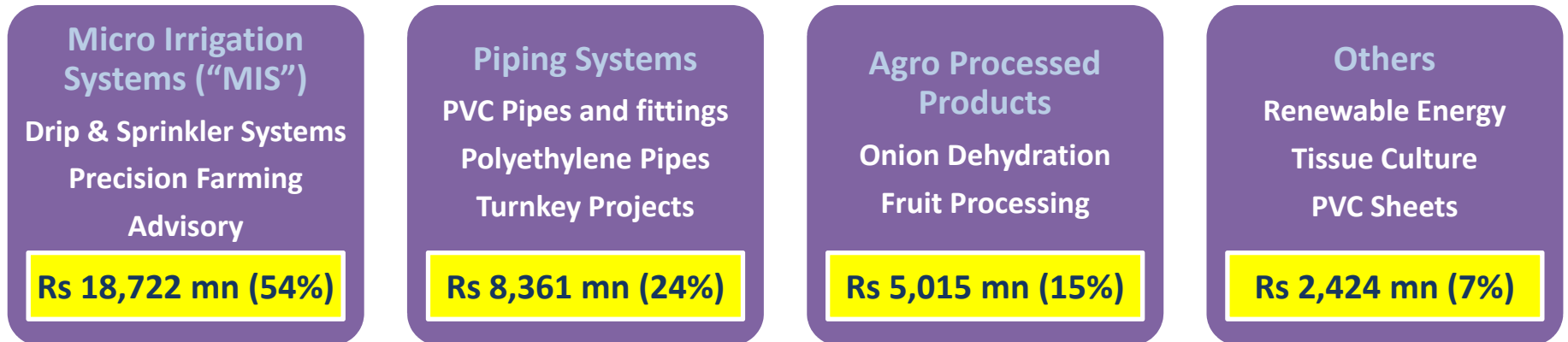


## Shareholding



As on December 31, 2010

## Key Businesses



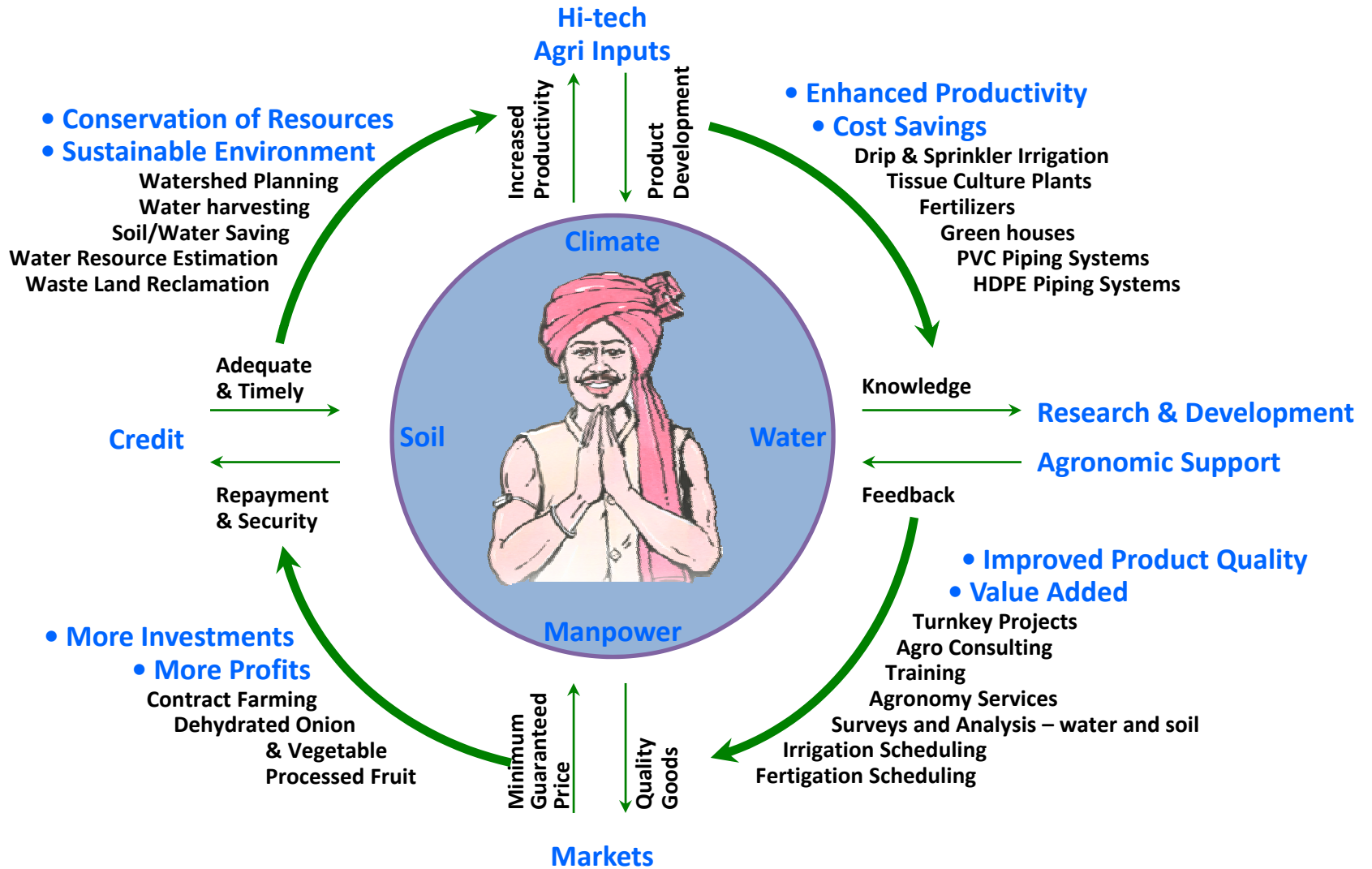
Sales amount and % of total sales for Fiscal 2010 (Consol)

**One of the largest manufacturers of MIS globally, piping systems in India and one of the largest processors of fruits and vegetables in India**

# Business Overview

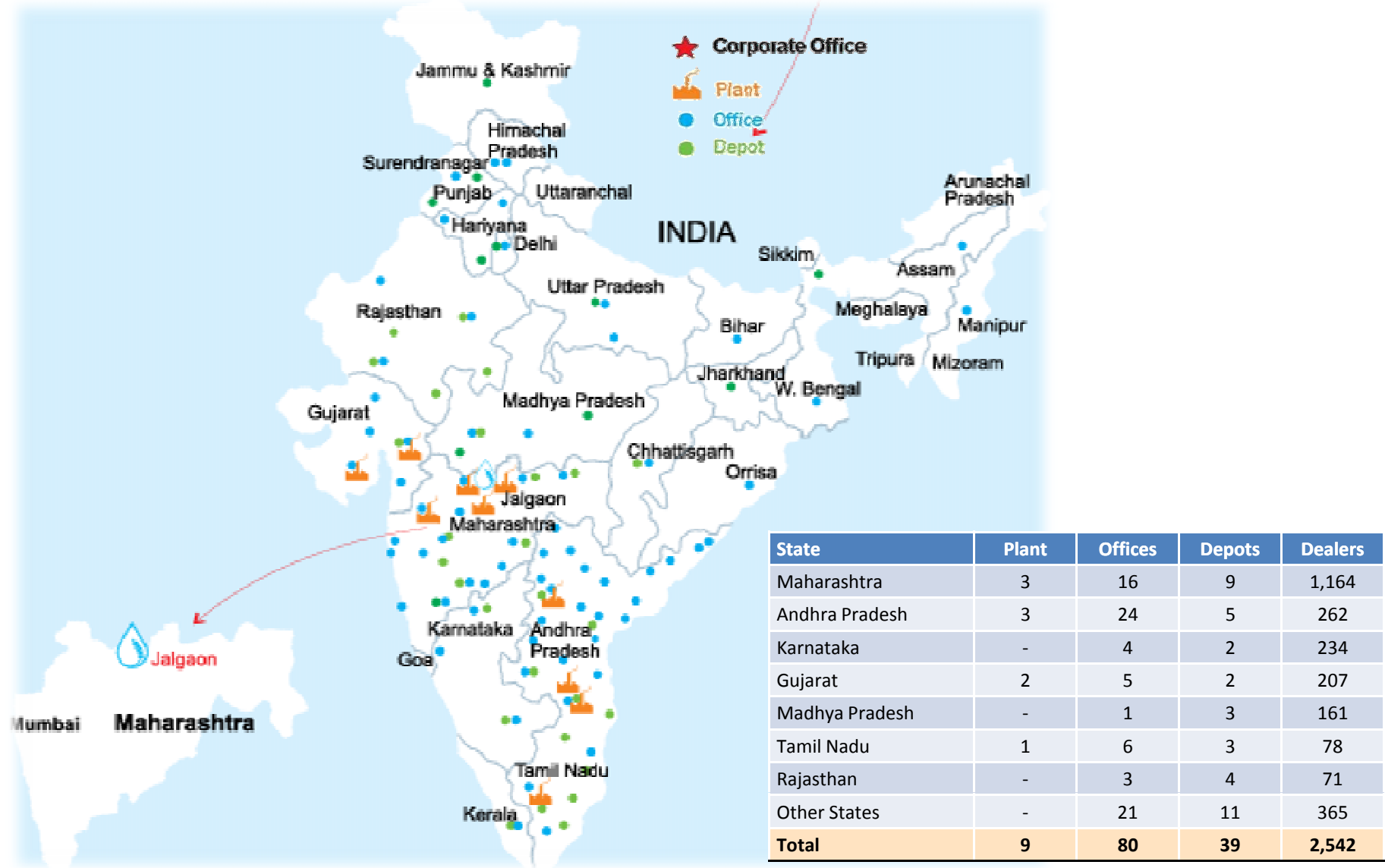
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# Jain Integrated Model



**Unique Total Solution offered to Farmers**

## Local Presence – Difficult to Replicate



# Sales & Service – Global Network



Region	Plant	Offices
North America	6	3
Europe	3	4
South America	2	1
Australia	1	-
Middle East	2	2
Africa	-	1
Asia (excluding India)	-	2
<b>Total</b>	<b>14</b>	<b>13</b>

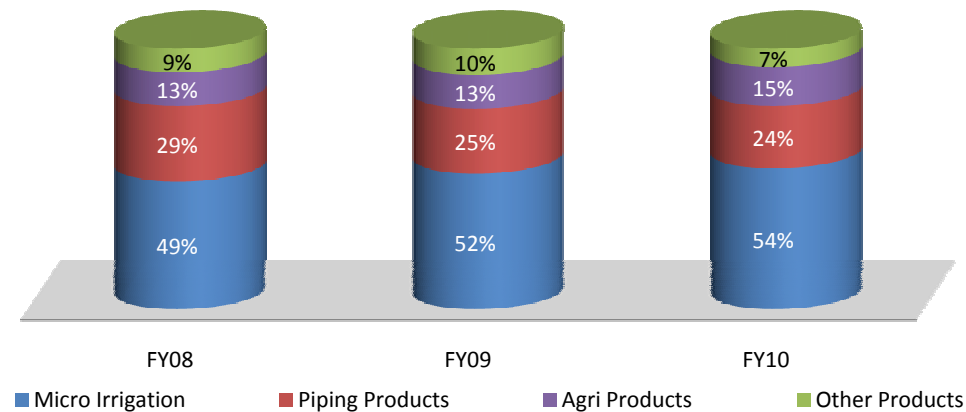
Share of Revenue		
	FY2010	%
India	22,188	65
Europe	4,110	12
North America	3,934	11
Rest of World	3,968	12
<b>Total</b>	<b>34,200</b>	<b>100</b>

## Diverse Revenue Stream

(Rs Million)	FY 2008	FY 2009	FY 2010	CAGR - 3YR
Micro Irrigation	11,271	15,084	18,722	28.9%
Piping Products	6,599	7,320	8,361	12.6%
Agri Products	3,037	3,701	5,015	28.5%
Other Products	1,996	2,957	2,424	10.2%
<b>Total</b>	<b>22,903</b>	<b>29,062</b>	<b>34,522</b>	<b>22.8%</b>
<b>India</b>	<b>56.4%</b>	<b>60.2%</b>	<b>64.9%</b>	<b>25.6%</b>
<b>Rest of the World</b>	<b>43.6%</b>	<b>39.8%</b>	<b>35.1%</b>	<b>10.2%</b>

*Based on consolidated financials*

## Sales Mix



# Human Resources.. Strong R&D focus

## Distinctive Features

- High rural ethos
- Over 900 agriculture professionals
- Unionism is absent (except in Naandan)

Public-private partnership approach for advancing research in agriculture

MOUs with various universities and other organizations

107 research and development personnel as of December 31, 2010

*As on January 2011*

Functional breakup for India	No. of Associates	%
Production	3,311	51
Marketing & Sales	1,685	26
General Administration	1,125	18
Materials Management	307	5
<b>Total</b>	<b>6,428</b>	<b>100</b>
<b>Total for the International Business</b>	<b>1,100</b>	

## Research & Development

- Dedicated R&D team for all of our business line
- 3 R&D facilities in India
- Development of new products and technologies for
  - irrigation systems – energy conservation
  - Piping systems – new products, cost effective
  - Agro processing – increase yields, pest resistant
  - Renewable Energy – improve output, new products

**One of the largest pools of Agricultural Scientists, Engineers & Technicians in Private Sector in India**

# Supportive Government Policy Framework

## Budget Support

- Four pronged strategy for agriculture development with focus on:
  - agriculture production,
  - reduction in wastage of produce,
  - credit support to farmers &
  - Thrust to food processing sector.
- Allocation for Agriculture Sector increased to Rs 147.44 bn for 2011-12.
- Direct Subsidy on Micro Irrigation further increased to Rs 11.3 bn (for 2011-12) from 10.0 bn (for 2010-11). It was Rs. 4.3 bn for 2009-10.
- Allocation for Rashtriya Krishi Vikas Yojna increased by 16% to Rs 78 bn
- Financial support for various schemes:
  - Rs 12.0 bn for National Horticulture Mission
  - Rs 12.5 bn for National Food security Mission
  - Rs 5.4 bn for integrated oilseeds, oil palm, pulses and maize development
  - Rs 6.5 bn for macro management of agriculture
  - Rs 3.0 bn for vegetable clusters near urban centres
- Farm Credit target at Rs 4.75 tn; interest subvention raised to 3% (from 2%) for short term crop loans – annual effective rate of 4% pa

Source: Budget documents; [www.indiabudget.nic.in](http://www.indiabudget.nic.in)

## National Mission on Micro Irrigation

- Initial outlay of Rs 80 billion
- Subsidy by Central Govt. to the extent of
  - 40% for general farmers
  - 50% for small farmers
  - Additional 10% by state government
- Once fully executed it is expected to bring 2.85 million hectare land under MIS
- All farmers are eligible with limit of 5 ha per beneficiary
- Assistance available for
  - both drip and sprinkler systems
  - implementation of advanced technology like fertigation with fertilizer tank, sand filters, and other different types of filter and valves required for MI system

Source: National mission on micro irrigation guidelines

## **Business Profiles**

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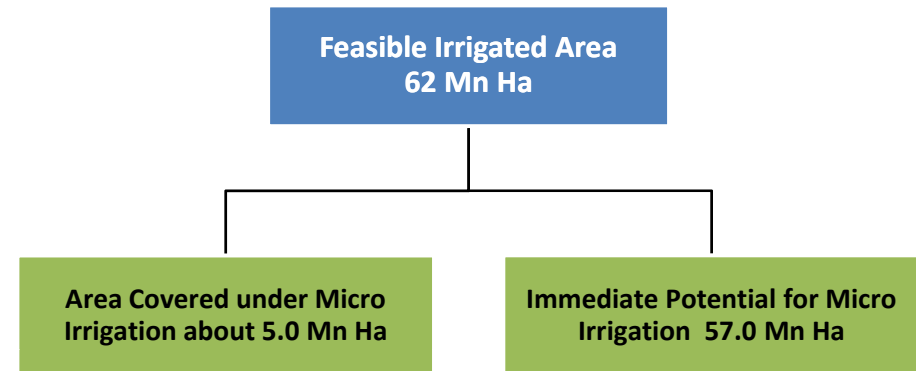
# Micro Irrigation – Global Opportunity

## Benefits of MIS

- MIS facilitates increase in land productivity, improved soil conditions and savings on energy, fertilizers and water.
- Demand for agriculture equipments would have reached US \$ 88.8 bn by 2010 globally
- Indian government has targeted 17 mn ha by 2012 for MIS technology

Source: Konzept Analytics, Micro Irrigation System Industry, Focus on India, August 2009

## Potential in India



Source: K. Iyengar and R. Lall, Status, "Potential and Government Efforts for Promoting Micro Irrigation in India", National Seminar on Advances in Micro Irrigation, February 15-16, 2011

## International Potential

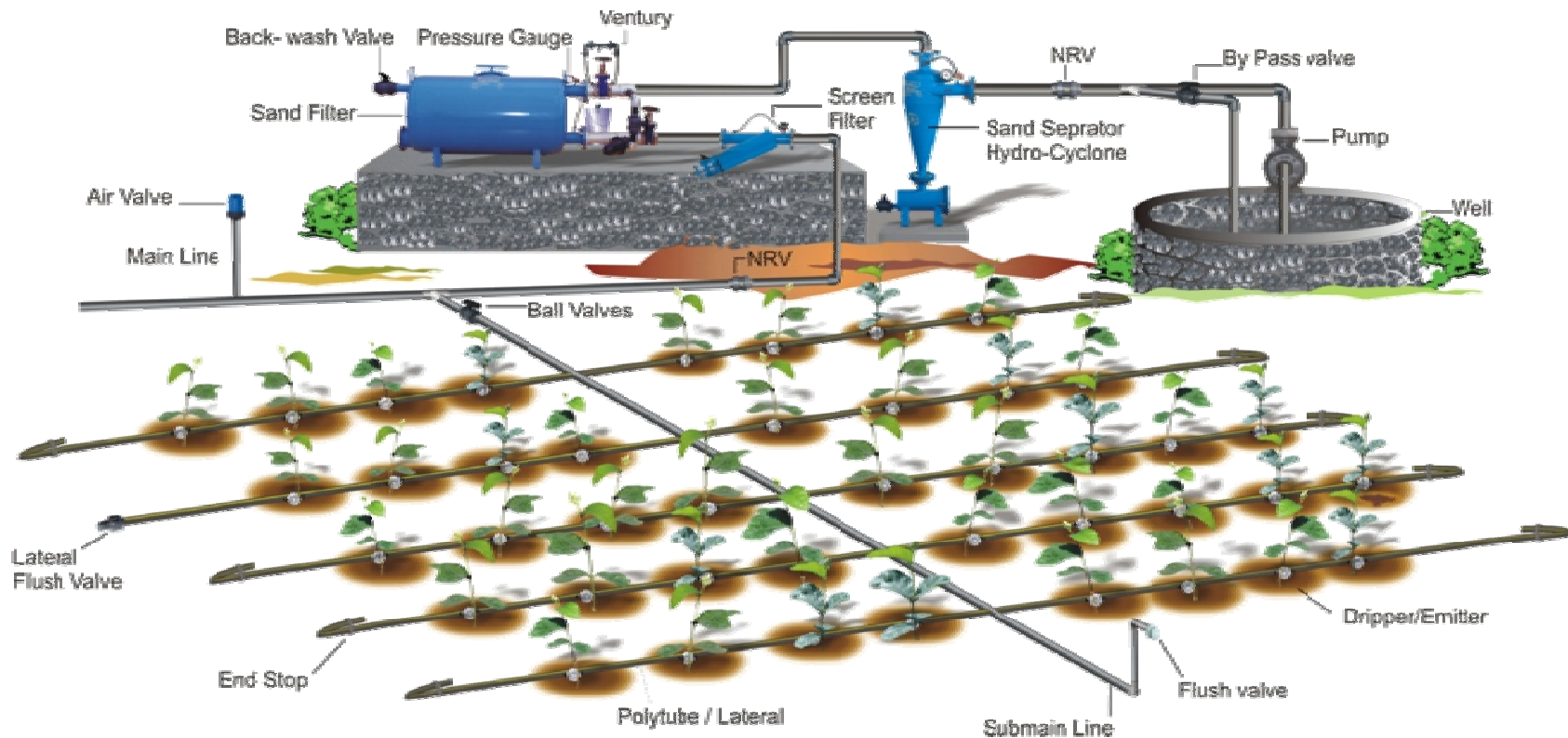
Region (1)	No of Countries (2)	Available Irrigated Area (3)	Sprinkler Irrigated Area (4)	Drip Irrigated Area (5)	Total Micro Irrigated Area (6=4+5)	Proportion of Available Irrigated Area (7=6/3)
Americas	35	41.9	13.3	1.9	15.2	36%
Europe	35	25.2	10.1	1.8	11.9	47%
Asia	46	194.0	6.8	1.8	8.6	4%
Africa	53	12.5	1.9	0.4	2.3	18%
Oceania	5	2.6	0.9	0.2	1.1	42%
<b>World Total</b>	<b>174</b>	<b>276.2</b>	<b>33.0</b>	<b>6.1</b>	<b>39.1</b>	<b>14%</b>

Area in Million Hectare (Mha), Data 2007

Source: Konzept Analytics, Micro Irrigation System Industry, Focus on India, August 2009

# Micro Irrigation – Water Management Solution

Application of water to root zone through specially designed system to provide as much as crop needs



Average Life of Micro Irrigation System - 3-7 Years

# Micro Irrigation

## Products and Services

- Drip Irrigation systems
- Sprinklers Irrigation systems
- Precision farming like Greenhouses and polyhouses
- Advisory

## Production Facilities

- 4 facilities in India
- 4 in USA, 2 in Latin America, 1 in Israel, 1 in Europe, 1 in Turkey, 1 in Australia

## Customers

- Farmers
- Residential users
- Commercial Enterprise

## Application

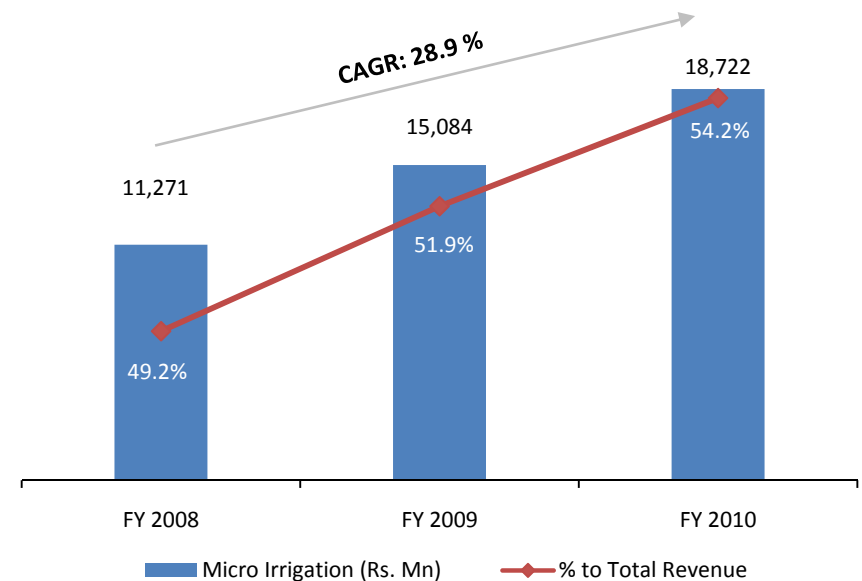
- Irrigation
- Landscaping
- Protected cultivation

## Industry

- Globally of the total 276.2 mn ha irrigated area, only 14% is under MIS
- In India, of the total 62 mn ha irrigated area, only 5 mn ha is under MIS
- In India, government supports usage of MIS in form of subsidy which is at least 50% of the total cost for farmer

Source: Konzept Analytics, Micro Irrigation System Industry, Focus on India, August 2009

## 3-Year Snapshot



**One of the largest manufacturers of MIS in India**

# Piping Systems

## Products and Services

- PVC Pipes and fittings
- PE Pipes and fittings
- Turn Key Projects

## Production Facilities

- 4 in India (same locations as MIS business)
- 1 in Europe

## Customers

- Farmers
- Government bodies for Rural water infrastructure
- Contractors for Infrastructure projects
- Telecom companies
- Gas distribution companies

## Primary Application

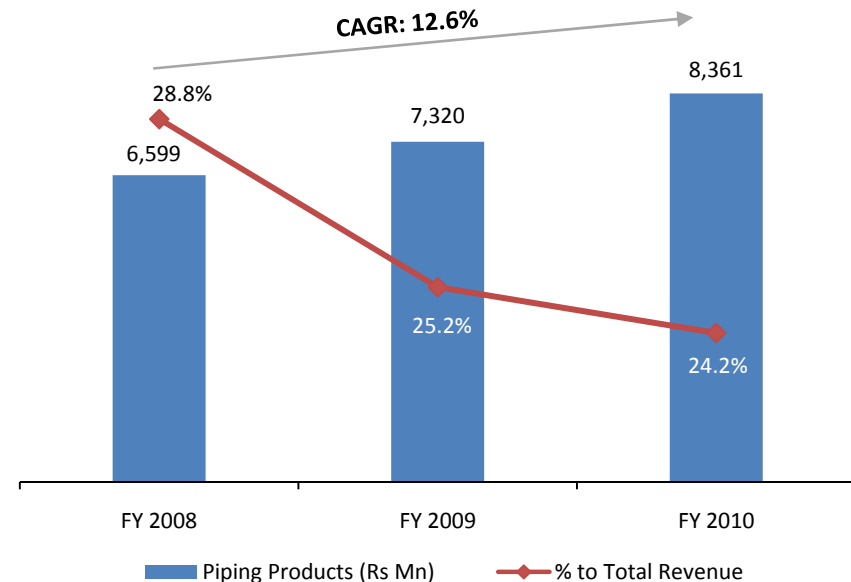
- Irrigation / Water transport
- Water and sewerage transmission
- Cable ducting
- Gas distribution

## Industry

- PVC pipes and fittings achieved a sales of 59,400 MT sales in 2008 against a capacity of 59,800 MT
- One of primary usage of PVC pipes is irrigation incl. MIS
- India's demand for plastics in irrigation alone is predicted to surpass 2.5 mn tonnes by 2015

Source: Koncept Analytics, Micro Irrigation System Industry, Focus on India, August 2009, <http://www.plastindia.org/default.asp>

## 3-Year Snapshot



**One of largest producer of pipes in India**

# Agro Processing

## Products

- Onion and vegetable dehydration
- Fruit processing
- FarmFresh, Chef William and Sleaford brands

## Processing Facilities

- 4 in India
- 1 in USA and 1 in UK
- ~ 60% (onion) & 15% (fruit) of sourcing is under contract farming

## Customers

- Multi national food companies and distributors
- Beverage companies

## Application

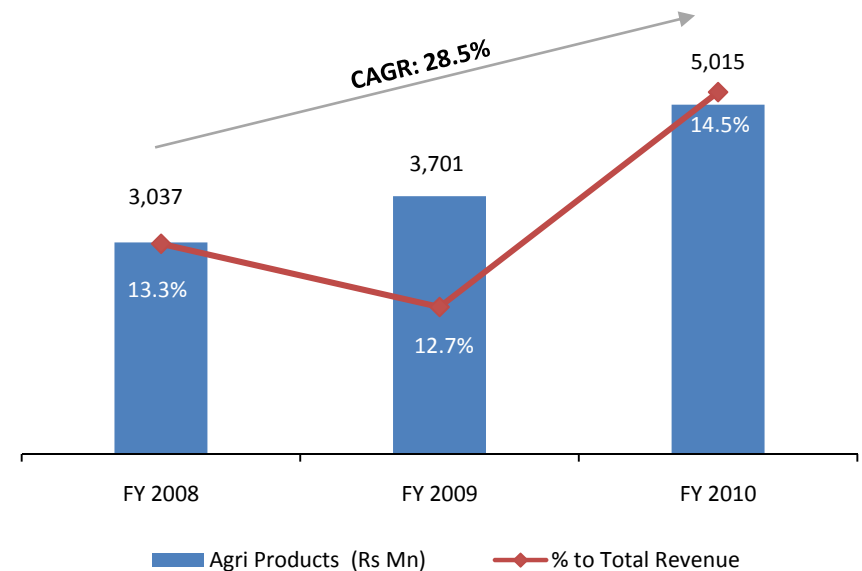
- Ingredients for
  - soup, pizza toppings and sauces (vegetable)
  - icecream, juice and baby food (fruits)

## Industry

- Agro processing has grown ~14% and contributes 10% of India's manufacturing GDP and 13% of India's exports
- India's total food market turnover is over \$ 69.4 mn; of which value added contributes \$ 22.2 mn
- Still only 2% of agriculture and food produce is processed (around 43.4% of which is organised)

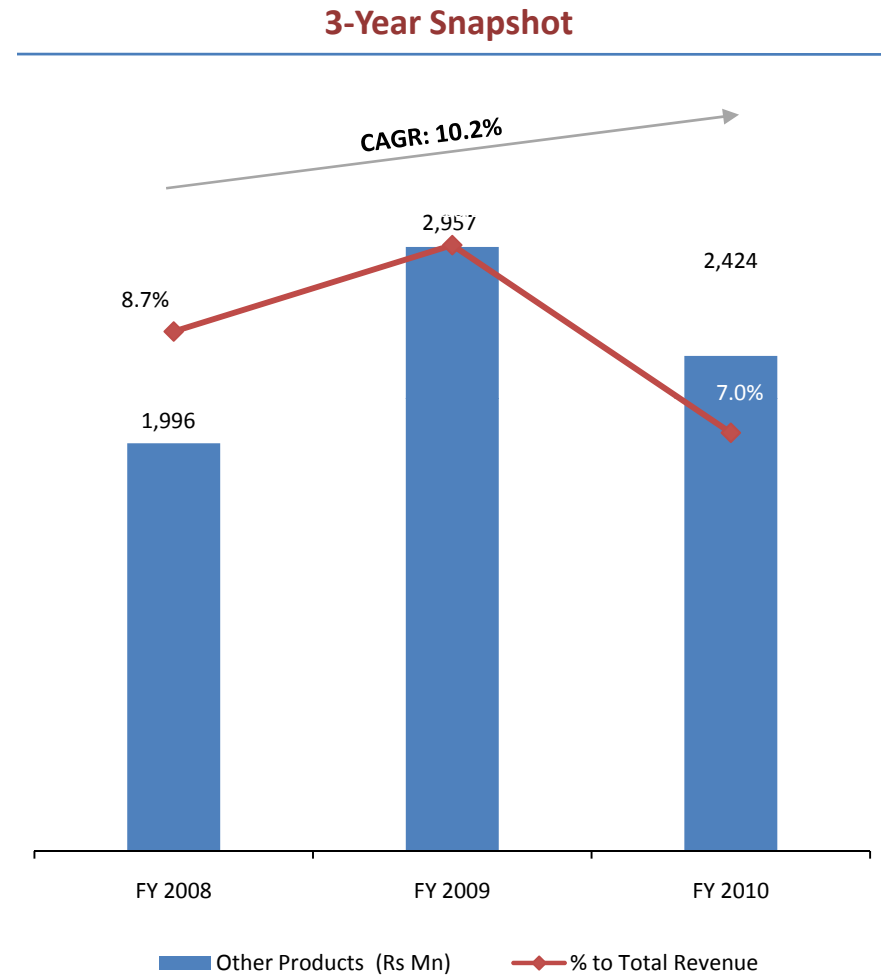
Source: ICRA Management Consulting Services Limited

## 3-Year Snapshot



# Other Businesses

- **Renewable Energy**
  - Solar Thermal water heaters
  - Solar powered pumping systems
  - Solar Photo-voltaic lighting
- **Tissue Culture**
  - Banana contributes to 37% of India's total fruit production (*Source: ICRA Management Consulting Services Limited*)
  - Company has a capacity of 30 million plants annually tissue culture in India (as of Dec 31, 2010)
  - Other produce are Pomegranates, Onion and Citrus crops
- **PVC Sheets**
  - 100% EOU unit for Plastic Sheets
  - Free foam, integral foam, rigid sheets and trim boards
  - Primarily application in signage and building material and industrial usage



**Solar business will be transferred to 100% subsidiary effective July 1, 2011**

## Key Strategies and Recent Developments

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## Key Business Strategies

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- 1 Continue our expansion of micro irrigation products in India
- 2 Expanding into new growth products and markets and continue focus on agricultural value chain
- 3 Focus on financial management and synergies of creating an affiliated financing entity
- 4 Maintaining our cost competitiveness through technology
- 5 Growth through investments in other ventures and mergers & acquisitions

# Growth Drivers & New Initiatives

## Growth Drivers

- **Micro Irrigation in India with focus on states like Maharastra, Karnataka, Gujarat, Rajasthan, Him achal Pradesh and Haryana**
- **Micro Irrigation business in Turkey, Mexico, Africa, USA and Latin America countries**
- **Canal command area projects with end-to-end solutions through state government**
- **Precision farming business with focus on value added crops**
- **Food Processing business and demand for new products and food ingredients**
- **Renewable energy products like solar water pumps**

## New Initiatives

- **Micro Irrigation on Pulses & Paddy**
- **More focus on Cotton and Oil seeds application**
- **Contract farming for Mango & Tomato**
- **Processing of new fruits like sweet lime and retail packaging of mango pulp**
- **Financing arrangement to Farmers for buying micro irrigation and other Jain products through affiliate NBFC**

## Key Decisions in Recent Board Meeting

---

### 1 DVR Bonus Issue

- 1 DVR shares for every 20 Equity Share held (with 10% Voting Rights)
- To establish trading market for DVR shares
- Facilitate future fund raising

### 2 Further Issues (approved by shareholders on Mar 9, 2011)

- Equity Warrant Issue to Promoters - 6.1 million warrants (minimum price Rs 228.15 per warrant)
- Issue of 33.1 mn Equity Shares including by way of qualified institutional placement

### 3 Non Banking Financing Company

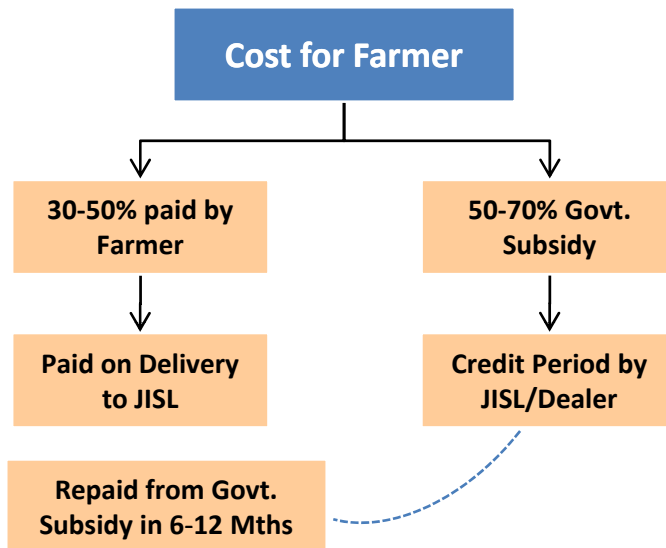
- Setting up of an NBFC to complement the JISL business & improve balance sheet

### 4 Solar / Renewable Business

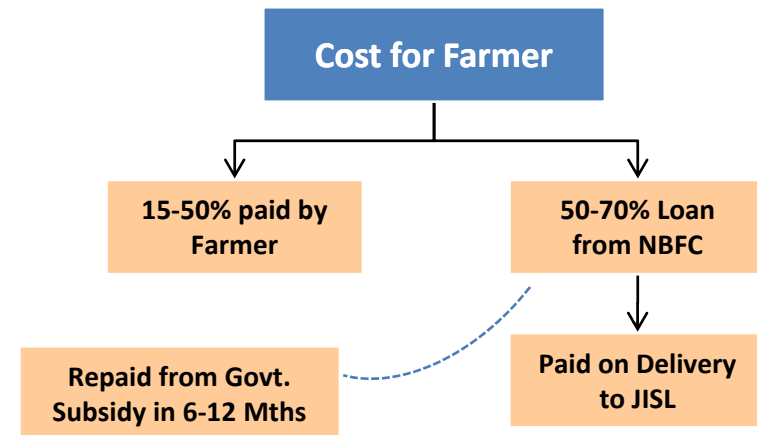
- To transfer to 100% subsidiary to focus business to facilitate growth

# NBFC... Facilitate the MIS business

## Current Funding Structure



## Proposed Structure



### Benefit for JISL

- Certainty of cost and timing of cash flows by reducing dependence on subsidy disbursement
- Improved Cash Flows
- Existing securitisation process is operationally rigid and will be phased out under NBFC route

### Benefit for Farmer

- No-subsidy sustainable business model
- Farmer to bear the burden of delay in subsidy disbursement

### NBFC model

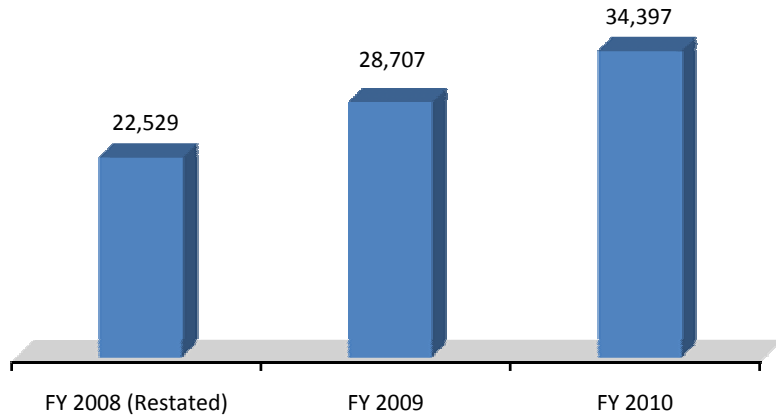
- Customer knowledge base and dealer network to support NBFC

## Financial Overview

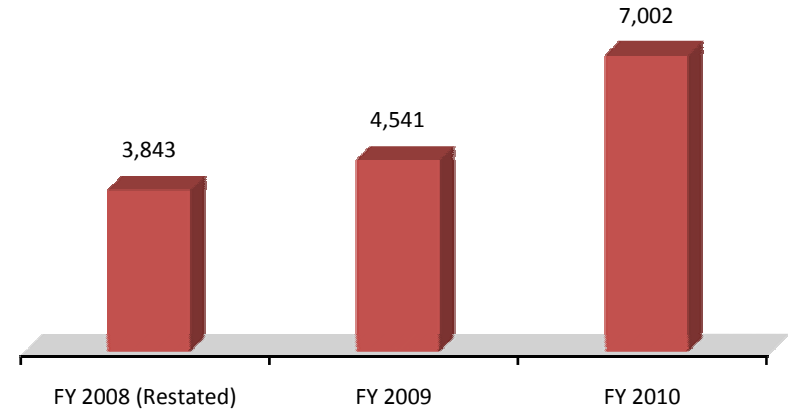
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# Financial Snapshot - Consolidated

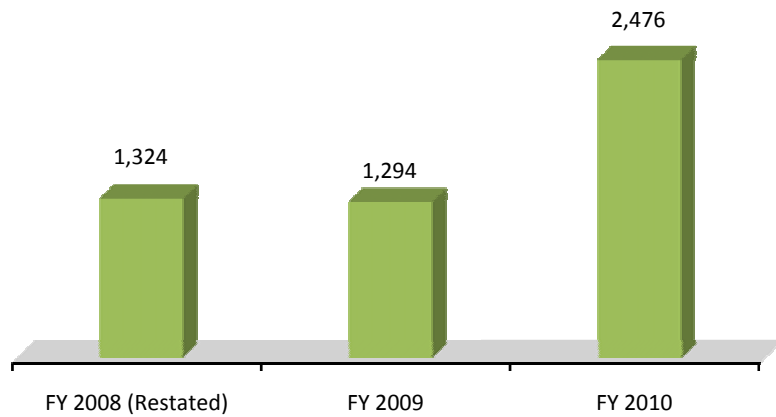
## Net Income



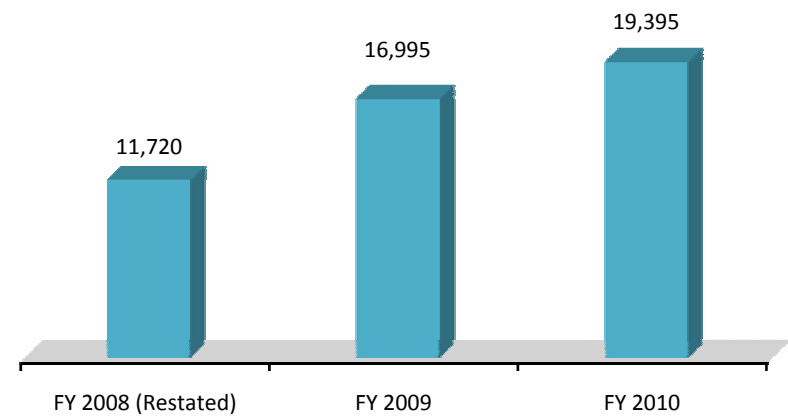
## Operating Profit



## Profit for the Year



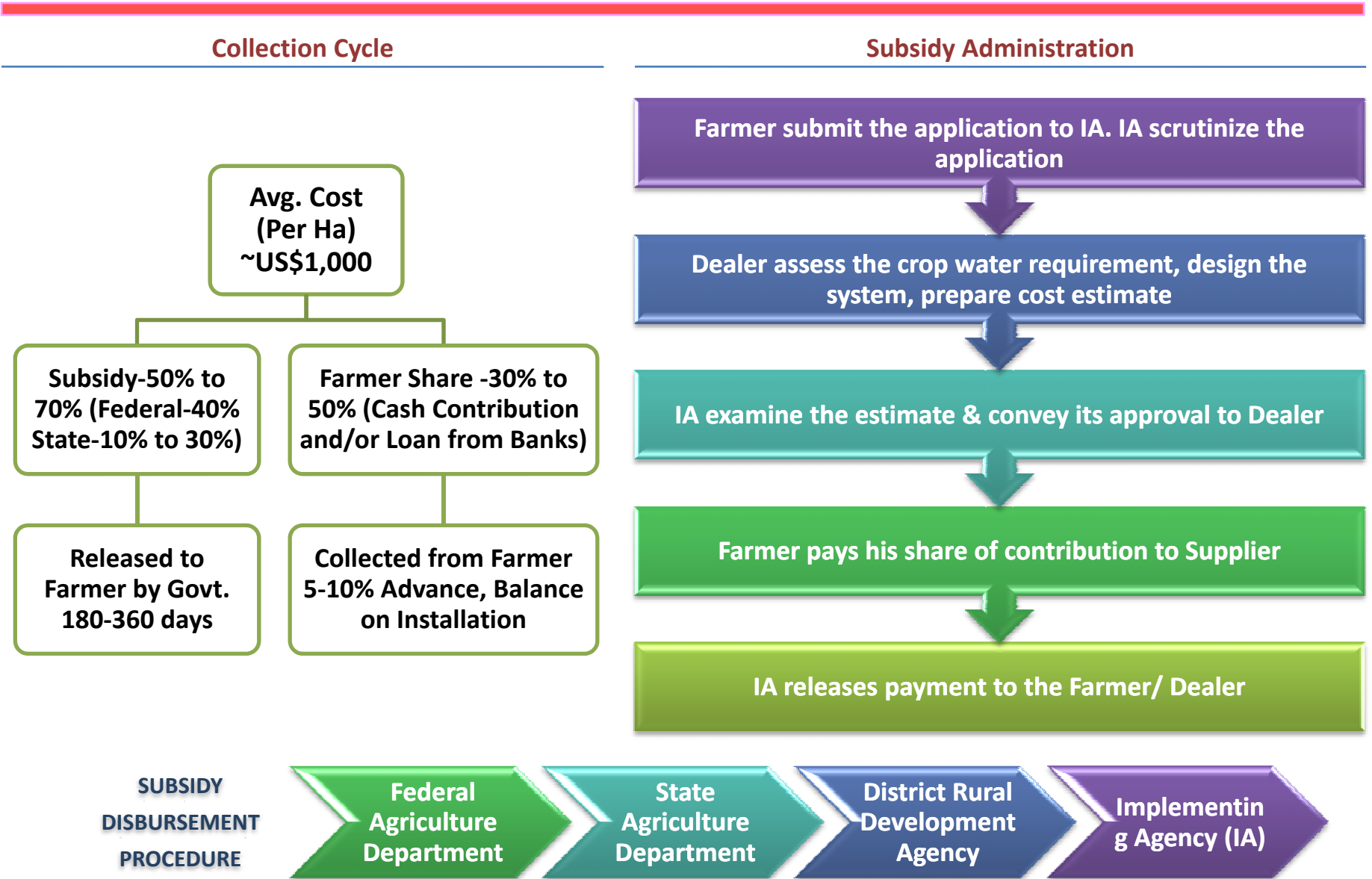
## Net Debt\*



\* Loan funds less cash and bank balances

All figures in Rs Million

# Micro Irrigation – Subsidy Administration & Cash-To-Cash Cycle



Source: National mission on micro irrigation guidelines

## Investment Highlights

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**Strong Brand and Leadership Position in its businesses in India**

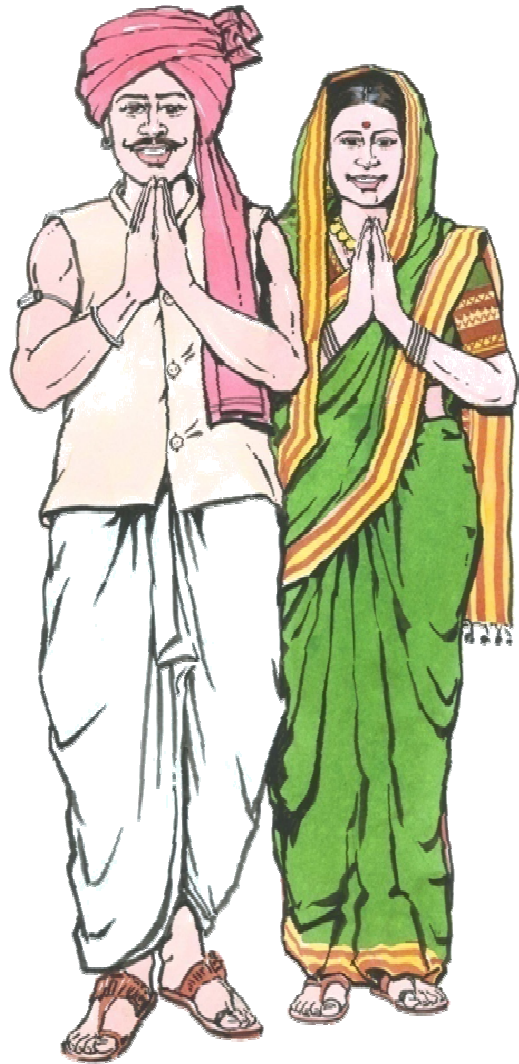
**Total Solution Provider across the Agriculture Value Chain**

**Diverse Revenue Streams**

**Flexible and Scalable business model**

**Wide dealer and distribution network**

**Experienced Management Team and Pool of Agriculture professionals**



**Thank You**