

Group with manifold goals

SITTING nonchalantly at his spanking new office in the "business infested" area of Flora Fountain, Bombay, Mr Anil Jain strikes you with his candid views which come right from the heart and is extremely impressive with his precise details and above all his simplicity combined with a charming smile.

If maturity and business acumen was to be the yardstick, he should have been at least 47. He is, however, a young dynamic man of 27, working seven days a week and 365 days a year. He believes, he has to do this because the organisation's goals are manifold and every one in the organisation is going ahead full steam to turn the dreams into reality.

The Chairman of the Jain Group of Companies, Mr B.H. Jain, floated the Company in 1963 with the meagre capital of Rs7,000 taken from the family savings, at Vakod village, 45 kms from Jalgaon and seven kilometres from Ajanta caves. He started as Esso Kerosene agent, specialising in "home to home selling".

He developed trading lines mostly agricultural inputs—fertilizers, tractors, PVC pipes. Soon enough, with his zeal and zest, he became the No.1 dealer for most of the products. In 1978, the company did Rs 10 crore trading business having agencies for Escorts Tractors, RCF Fertilisers and other prominent names.

The company bought out a sick unit involved in making Banana Powder. Mr B.H. Jain converted the sick unit into a facility for manufacture of an enzyme known as Papain. Papain is a plant origin proteolytic enzyme which eventually became a 100 per cent export item with exports to Europe, USA, Australia etc., notching up an export turnover of 1 million US dollars per year. The product has a brewery pharmaceutical application and the company became the 2nd largest in the world with a world market share of 15-20 per cent.

Since it is a highly technical product, subject to stringent quality control, it won respect for Jains internationally. The product cost is 60-70 US dollars per kg. The Papaya Candy factory was started to help farmers earn a side income from an otherwise surplus product (Papaya fruit) after it was used for taking out the papaya milk.

The Jain Group of Companies commenced buying and selling PVC pipes due to the increasing demand since 1974. They put up the first manufacturing plant only in 1980. From 1980-85, production capacity increased to 25,000 tons of pipe, making it the largest in the country.

Their factories are based at Jalgaon in Maharashtra, Sendhwa in Madhya Pradesh and Gummidipondi in Tamil Nadu.

Mr Anil Jain maintains that the Jain Group entered the micro irrigation field because it was a natural extension of their earlier business lines in respect of agricultural field. Micro irrigation or drip irrigation as it is popularly known is a method of providing water to the plants by dividing the farm into various plots and drawing a layout which is in keeping with the requirements of each farmer.

The drip irrigation technique saves water between 50-60 per cent, increases the yield by 50-200 per cent and reduces the operating cost and labour cost by about 50 per cent.

The company has grown by more than 100 per cent every year starting with a small turnover of Rs three crores in the first year. It is now slated to earn Rs35 crores during the current year. The company has more than 200 technicians, agricultural engineers and scientists working in the field. The company also has set up an R&D farm spanning over 100 acres at Jalgaon.

No wonder the company is quoted

An interview with Mr Anil Jain, Director of Jain Group of Industries

on the Bombay Stock Exchange and is a hotly traded scrip. Its price is over Rs155 for a face value of Rs10. Jain Irrigation is the flagship company of the Group and it is poised to be a blue chip company in the near future.

The limitations for increasing the sales are: (a) Resistance to change. (b) High initial capital costs because of higher imported duty on raw-materials. (c) Recent credit squeeze resulting in no loans from the banks. (d) Cumbersome subsidy procedures.

However, during the VIIIth five-year plan, the government of India has given priority to drip irrigation and it has reported that the government is also considering higher allocation of subsidy for the farmers who would be adopting drip irrigation. The best home markets for Jain Irrigation are Maharashtra, Gujrat, Karnataka and Andhra Pradesh. The secondary developing markets include Tamil Nadu, Madhya Pradesh and Rajasthan.

Jain Irrigation has a market share of over 60 per cent on an all-India basis though there are over 50 small scale manufacturers who also make and market drip systems. Maharashtra alone has over 30 of them.

The Export Division of Jain Irrigation is being expanded. The Middle East is a natural extension of their marketing for irrigation products.

The largest markets in Gulf are UAE, Saudi Arabia, Sultanate of Oman, Bahrain and Egypt. Africa will be a major market too later. Mr Anil Jain heads the exports with offices in Dubai, Singapore, Nairobi and Vienna.

He is also looking at increasing exports to South East Asia i.e. Philip-

pines, Singapore, Malaysia, Indonesia, Brunei etc.

Mr Anil Jain forecasts that the company will touch a turnover of minimum Rs13 crores this year and about 100 crores by the year 1995-96.

The company is now planning to get into sophisticated products such as plastic sheets, value added irrigation extruded and moulded components. He is targeting the hard currency areas specifically. Jain Irrigation is also planning to manufacture solar water heaters jointly with Australian collaboration.

The future of the Jain Group of Companies is exciting and Mr Anil Jain is bubbling with enthusiasm to lead his company at a fantastic pace into the 90's and beyond.

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