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Jain Irrigation plans to go global

By The Daily Staff

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JAIN Irrigation Systems, the largest micro-irrigation manufacturing plant in the country, plans to grow global in stature which in a manner will ensure both adequacy of margins and market for its rising production capacities. The company has realised that spiralling outputs and ambitious export targets cannot be met merely through export promotion efforts and hence has decided to invest in equity of marketing networks abroad.

According to chairman BH Jain, Jain Irrigation plans to acquire interest in the existing distribution network of the Continent/US or for complete takeover of such trading companies which have established business contacts. The company has sought permission for such investment and has already received offers for joint participation from foreign corporation.

He revealed that company had collaborated with Chapin Watermatics Inc of the US for line source tubing which gives water use efficiency for closely spaced row crops like sugarcane, cotton etc. Reserve Bank of India has given approval for payment of lumpsum and royalty and commercial production would start by August.

Explaining line source tubing, Jain noted that it was the most efficient form of micro-irrigation. The Chaplin turbulent flow twin chambered tubes would be marketed at much lower prices than similar imported tubing.

He informed that Plexite (UK), a subsidiary of Glynwed International of UK, has developed a patented wood substitute plastic material branded as Timbron which would soon be made in the country by a joint venture — Plexite India — of which Jain Irrigation would have 25 per cent stake. The company would be manufacturing these polystyrene foam sheets at

its 100 per cent EOU division while Glynwed has agreed to buy back the output. This move would help preserve the forest wealth and provide a durable substitute.

The production of sheets is expected to commence by the end of the year with the turnover for the first year being Rs.3 crore rising to Rs.20 crore by 1995.

Referring to the forthcoming Rs.45 crore rights issue of the company, Jain stated that it was mainly for the purpose of expansion of the domestic product range, export division and also for latter diversification. The project is already under implementation and will be fully implemented by March 1993.

Jain Irrigation for 1992-93 has projected a sales of Rs.67 crore a net profit of Rs.10 crore which would rise to Rs.100 crore and Rs.21 crore in the next year spiralling further to Rs.160 crore and Rs.40 crore respectively in 1994-95.