

Date: 01 Feb. 92

Jain group: eager-beavers of Jalgaon

Concept-selling has been the forte of the Jains of Jalgaon. Eager to expand, they are raring to go once the rupee becomes convertible. **Rahul Laud** traces the growth of the Jain group, who pioneered the drip irrigation, and details its future plans

WHAT WAS Devi Lal doing in Jalgaon on the day V P Singh's ministry collapsed? Whom were the agricultural experts of the World Bank visiting in the township of Khandesh? Who is defence minister Sharad Pawar's closest agriculturist-cum-technocrat friend in Maharashtra? Who are the concept sellers in the areas of irrigation, plastic pipes, chemicals and wood substitute items? Who are the regular winners of the Chemixil's exports awards? Which is the group to whom Cincinnati Milacron, the famous company from Austria extended credits even without bank guarantees for most of the purchases of their equipment? Whom did Gujarat chief minister Chimanbhai Patel recently visit and later initiate steps to approach and organise World Bank assistance for reclamation of coastal area, waste lands through the technology of drip irrigation? The questions have only one answer — the Jains of Jalgaon, a medium sized industrial house with an annual turnover of over Rs one billion.

Led by Bhavarlal Jain, the founder chairman of the group who has a sharp acumen of a businessman and humility of a peasant, the group over the last three decades has demonstrated resilience, fortitude, unflinching commitment to quality, passion for growth and social consciousness for conservation. Today, the group is poised for an exponential growth.

Speaking to *The Independent* recently at Jalgaon, Jain claimed that the Jain group is the largest producer of PVC pipes in India, the second largest exporter manufacturer of papain in the world and the pioneer of micro irrigation systems in the country. The group's EMCO Transformers Ltd is also amongst first seven in India, he said. All these distinctions have been achieved during a short span of 13 years (1978-91), he added.

Born in a farming family at Varkod, near the Ajanta Caves, Jain opted out of the civil service to do business with a small capital of Rs 7,000 in 1963. He began with kerosene dealership of the multinational oil company Esso, subsequently

to become the market leader of the area in the whole range of petroleum products within five years. He diversified in the automotive trade to take on the franchise of Ashok Leyland, Standard Motors, Rajdoot Motorcycles and auto parts, including tyres.

The farming experience, Jain said, prompted dealerships of farm equipments and inputs like tractors and farm implements, seeds, fertilisers, PVC pipes, electric motors.

During 1963 to 1977 many more dealerships of reputed companies were acquired, mostly in the field of petroleum, farm inputs and equipments. The growth was swift. Sales turnover reached around Rs 10 crores and the Jains were soon acknowledged as leaders in most of the fields they covered, he said.

In 1978, the Jains ventured into purchase of a sick unit which was originally conceived and commissioned as a banana powder factory. Since the erstwhile owners could not produce an acceptable quality of banana powder, the Jains adapted this equipment for processing papaya latex into refined papain — an industrially important export oriented enzyme used in breweries and meat tenderisation.

In December 1978, the first consignment of papain left the Indian Ocean to reach the shores of the United States. Informed Ajit Jain, a mechanical engineer, the third son of Bhavarlal, that today the company sells papain at Rs 1,500 per kilo and qualitatively falls in the grade I category constituting 22 per cent of the global market. Ajit says the in-house R&D department is attempting to produce powder from figs for export. With the help of a rigorous marketing drive and R&D back-up, the Jains put up a papaya fruit-processing unit and launched Jain Candy.

In 1980, Jains conceived of an idea of getting into the manufacture of PVC pipes and fittings, yet another product related to farming. When the suppliers of PVC pipes could not meet the growing requirements of Jain's customers, the group went into the manufacture of rigid PVC pipes and accessories with a small Indian extruder with a capacity of 100 MT per



REAPING PROFITS: Bhavarlal Jain has a passion for work and growth

annum. Within six months Jain was able to import a large sophisticated extruder from Cincinnati Milacron of Austria, and with planned expansion programmes, by 1984 the Jain Pipes factory at Jalgaon had a production capacity exceeding 20,000 MT annually.

In the next two years, other units in Madhya Pradesh and Tamil Nadu were set up to increase the annual capacity by about 10,000 MT. These units have an annual turnover of around Rs 84 crore. Today the Jains have diverse products like PVC fittings, speciality pipes and spirally wound pipes called as Jain-rib-block pipes. Available in diameters of 100 mm to 1,000 mm, these pipes are light, yet strong used in non pressure gravity irrigation etc. Ajit says the company is a pioneer in this technology and has bagged a 250-km pipeline covering 15,000 acre area project on turnkey basis in Aurangabad.

Meanwhile, the Institute of Trade & Industrial Development had already recognised Bhavarlal as a self-made industrialist and awarded him the Udyog Patra in 1982.

The desire to grow and diversify led them towards acquisition of majority share in 1986 of EMCO Transformers Ltd, Bombay, a sick unit. Since

then the turnover of the transformer unit has increased to Rs 15 crore annually. With the setting up of the Jain Irrigation Systems Ltd — a new technological input in the field of micro-irrigation (drip irrigation) in collaboration with James Hardie (Italy) SRL — commenced with a capital outlay of Rs 7.80 crore in 1987, the company is now poised for expansion and diversification plans with an outlay of Rs 55 crore.

Upcoming projects, Jain elaborated, include exploitation of solar energy for

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hot water and introduction of wood substitute plastic sheets. The theme is conservation, says Jain. When Jain pioneered the micro-irrigation technique it was to save water. He is now engaged in developing an altogether new wood substitute plastic sheet with a view to save forest wealth of the nation. Solar energy shall be harnessed to conserve scarce electric power.

There are now plans to establish yet another first by manufacturing high voltage mainline regulators in collaboration with General Electric of USA.

The printing and publishing unit, started in 1987 with a single colour printing press,

now boasts multi-colour, computerised equipment, and desk-top publishing. With the latest in printing technology, the turnover of printing and publishing unit has risen to Rs 0.50 crore as on date.

The Jains, Bhavarlal quips, suffer from one weakness — a passion for growth.

Over the last three years the company has supplied and installed micro irrigation systems on over 40,000 acres of land, valued at over Rs 45 crore, and have covered 34 different crops.

The forthcoming Rs 45 crore rights issue of Jain Irrigation is mainly for expansion of the domestic division product range and diversification and expansion of the export division products, according to Jain. Full production potential would be attained by 1995-96, when its turnover is projected at Rs 200 crore, of which Rs 85 crore would be in the form of exports, he added.

The company has come to the conclusion that it will have to essentially invest in the equity of marketing networks abroad, says Jain. It will thus be either acquiring interest in the existing distribution network of the continent/US or go for a complete take-over of such trading companies which have established business contacts, he said.

However, he demurred from revealing the names of the companies involved.

The Jains have entered in a joint venture with Glynwed International. Glynwed, through its subsidiary, Plexite Ltd in UK, have developed and patented wood substitute plastic material branded as timbron.

Jain said Plexite (UK) has formed a joint venture in India under the name of Plexite India Pvt Ltd. Jain Irrigation has 25 per cent equity stake in the company. The initial manufacturing facilities for the timbron profiles will be set up in Gujarat, he said.

Jain Irrigation will be manufacturing the sheets in their 100 per cent EOI division. According to Jain, Glynwed, through its worldwide network, has agreed to buy back the production.

The company expects to net a turnover of over Rs 310.5 crore in the very first year beginning January 1993. The turnover is expected to grow to Rs 20 crore by the year 1995.

Today, the group's turnover is over Rs 107 crore, and has fixed assets of over Rs 20 crore. Conviction and commitment, Bhavarlal says, are a way of life for over 1,500 people that keep the wheels of industry moving at Jains.

The employees aren't unionised and senior personnel believe that dedicated hard work is rewarded. The Jains strictly disallow smoking or even drinking tea in their premises. Instead the workers are offered bananas and milk at subsidised rates.

Jain's sons — Ashok, Anil, Ajit and Atul — have picked up the trait of hardwork from their father. Ashok the eldest is the anchorman who operates from Jalgaon, coordinating production, development of human resources. Anil travelled 200 days in different continents to promote exports and eventually contracted ulcers. But his zeal to work continues. Ajit is fondly called Kapil Dev — the master of all. Atul, the youngest, is under training and assists Anil in export promotion. He has an American accent following his shunting very often between Jalgaon and New Jersey. The brothers represent a fine blend of feudal values with capitalist ideas.