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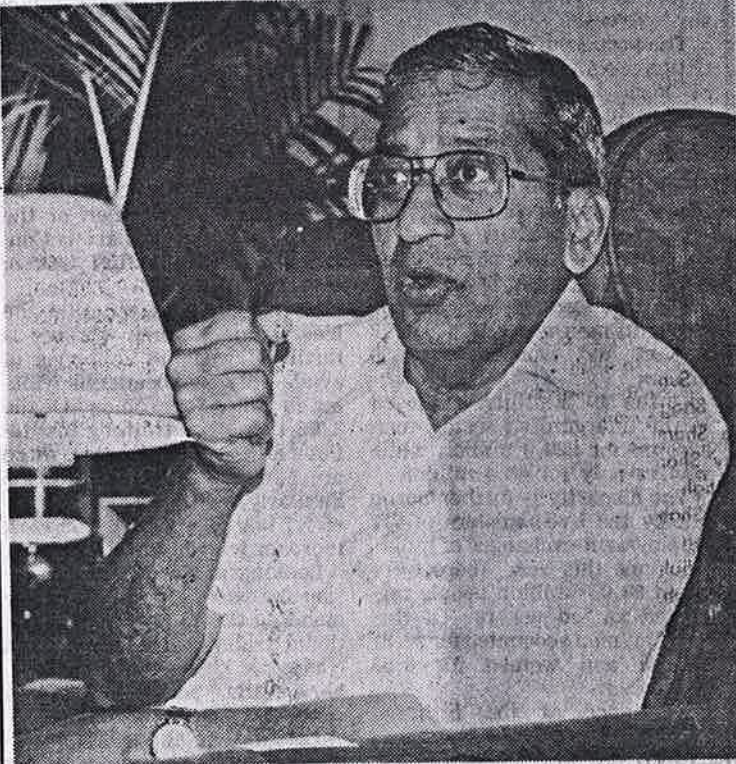
BUSINESS

MUMBAI SATURDAY DECEMBER 13, 1997 \$

'All our mfg outlets have been approved'

SATURDAY CLOSE-UP / B H Jain

All our production outlets have been approved by world quality majors. Two of our food plants are expected to be given the official stamp of ISO 9000 by the Germany based TUV in March next year. One of our food processing plants, which incidentally is also the first in India, has received the approval of the Food and Drug Administration of the US recently.



BH Jain was given Rs 7000 by his mother way back in 1963 to set up his own business. He spent the next 15 years in core trading activities representing many national level organisations in fertilisers, food, pesticides and the like in the process. Thereafter, he ventured out with his own companies to reap the benefits of the seeds of hard work that he had sown till then. So when his flagship firm, Jain Irrigation Systems Ltd (JISL), notched up a turnover of about Rs 75 crore last year, this chairman of the Jalgaon-based Jain group was more than smiles from ear to ear. He claims that while his busi-

ness acumen comes from his teetotaler, non-smoking, vegetarian habits that include neither tea nor coffee, his stability comes from the unstinting support of his wife and 4 sons who have all joined their father in the same business. And the secret of his health and vigour, according to him, lies in the 90 minute walk that he undertakes everyday in his farm which keeps him in close contact with Mother Nature. He swears by an age-old dictum that goes as 'work is worship'. And he goes on to add that hard work only hard work and nothing but hard work, can make a

man successful the honest way in business. He accepts the fact that his company was in the media limelight some time back for the wrong reasons simply because the protagonist in question having a similar Jain surname happened to be from the same home town as his. And as he vehemently denies wielding any sort of political baton to further his business interests, (as the accompanying pix shows) Sujoy Bora quickly freewheels, with him, on a number of current issues from farming to travelling. **—WHAT** is the present status of micro-irrigation as far as

the Planning Commission is considered? What are the benefits that you will stand to accrue as a result of this?

The Planning Commission has, in principle, given us the go-ahead in writing which is very commendable on their part. The government will now provide us with the GR (government resolution) or the GO (govt order) as they are commonly referred to expanding on their decision to give micro-irrigation (MI) an industry status. This will help the RBI, NABARD, other banks and financial institutions to extend us credit for a duration of 20-25 years. Second-

ly, we would get major tax breaks which are generally in the range of 10 years and upwards. Last but not the least, there would be major concessions on long term financial loans especially from MNCs which can be anywhere in the 3-5 per cent bracket. Additionally, we are also expecting that the World Bank would give us money at lower rates and of longer duration which apart from benefitting us, would also give them major tax breaks.

—WHY is it that micro-irrigation as a concept has not caught on in India that well as was expected?

Everything takes time to become familiar. It is a 25-year old technology wherein the hardware has to be defined followed by the software which has to be added thereafter. The software, comprising the survey, the system design and so on, have to be understood very well and it requires a certain level of literacy.

Also, each project is tackled on a case-by-case basis. Unfortunately, the powers-that-be have no background and exposure to MI. Hence, there is less focus on this area. Another very important reason is that the lobby of the dam builders is extremely strong. Since they

feel threatened by MI, they will go to any lengths to prevent the concept from becoming popular.

—YOU have a strong export focus. Why?

Exports not only make us a foreign exchange earner but also gives us recognition in many ways as a worldwide player. Also, we become very quality conscious because that is what sells abroad. Our primary markets are the middle east, Africa and the US. By the year 2000, we are aiming an export turnover of around Rs 200 to 250 crore. Presently about 50 per cent of our total turnover comprises exports, under two major brandnames, 'Farmfresh' for fruit products and 'Excel' for plastic sheets.

—Coming to quality, how do you ensure that your manufacturing plants stick to meticulous levels as far as worldwide standards are concerned?

All our manufacturing outlets have been approved by world quality majors. Two of our food plants are expected to be given the official stamp of ISO 9000 by the Germany based TUV in March next year. In fact, one of our food processing plants, which incidentally is also the first in India, has received the approval of the Food and Drug Administration (FDA) of the US, recently.

—What is the present status of your proposed merger of Jain Irrigation and Jain Plastics and how would your business interests get affected post-merger?

The decision is currently pending with the Mumbai High Court but we expect a final order to come through by mid-December this year. In terms of business benefits, firstly, we expect major savings in terms of administrative costs and overhead expenses which include cutdowns pertaining to octroi as well. The second benefit would comprise those related to combined purchase decisions. And lastly, with a combined turnover of more than Rs 450 crore post-merger, we

would automatically qualify to be among the first 200 companies in India.

—YOU are planning major corporate restructuring exercises apart from the aforesaid merger. Please throw some more light on this aspect.

To be short and sweet, we are taking four major steps in this direction apart from the plastics-irrigation merger. Firstly, we are in the process of broadbasing the board of directors. Secondly, we have appointed a professional finance director in the core management team. Thirdly, we are aiming for separate directors for the domestic and the exports market these markets are tending to become more specialised. And lastly, we have appointed Dalal and Shah as our auditors.

—PLEASE tell us in brief about the steps you are undertaking on the financial front to restructure your business needs.

Apart from seeking adequate working capital from banks, we are rescheduling our term debts as well as trying to replace high cost borrowings with cheaper funds. Additionally, we are also aiming for a conversion of rupee term loans into foreign currency loans. Lastly, our focus is also on conversion of some rupee term loans into preference share capital.

—YOU must not have forgotten your days of travelling for months on end. Do you still travel out of choice or by default?

It is true that at one time during my early days, I used to travel continuously for days together. I think I must have spent about a third of my whole life-span travelling in every conceivable mode of transport and that includes trams, horse-drawn carriages and bullock carts as well. Now, I travel once a year, maybe, but that is mostly out of choice. I still cannot get over my travelling memories. □