



A feature on **PLASTICS**

JAIN GROUP

Back to plastics, irrigation

THE Jalgaon-based Jain group has realised the value of core competency and focussing on core activities, and is now concentrating on plastics, irrigation systems and chemicals. The group has taken up a major restructuring programme whereby it has discarded its activities in non-core areas like real estate and telecom. According to Mr Bhavarlal H Jain, the chairman of the group, it is hiving off surplus real estate and equipment. "The loan component is

ally" says Mr Jain. "In the plastics processing segment, we have a substantial presence, manufacturing PC, PVC sheets and injection moulded components. In order to cut costs as well as for operational convenience our PVC pipe manufacturing facility has been relocated at the main plastic complex. There is a programme on to enhance the capacity utilisation of the PC division through supply agreements reached with some of our customers, which includes the GE group. Our

agro-based industries.

The agro processing division comprises two important activities — spray drying of latex from the papaya fruit and dehydration of onion and other vegetables for export purposes. The onion dehydration plant as well as the banana/mango pulp processing plants were commissioned recently. Here also, the company is taking steps to improve its capacity utilisation, minimise processing costs and improve profitability.

"Due to our R&D efforts, there is an improvement in quality and increased yield", Mr Jain claims. "As a result, our investigation agro-techniques have been standardised and commercial cultivation using hi-tech practices has been undertaken in the captive farm ensuring the supply of upto 25-40 per cent of our agro processing division", he adds.

"Once the drip irrigation sector gets infrastructure status, the growth of our agro-products division will spurt — from Rs 4 billion now to Rs 20 billion within a year", he asserts.

The agro-products division consists of drip and sprinkler irrigation, PVC and HDPE pressure pipes, borewell casing pipes, MDPE (gas) pipes, green houses, banana tissue culture and liquid fertilisers. It also undertakes R&D, and produces raw material for consumption in the processing plants for onion, vegetables, mangoes, guava and custard apple. The Jain group has also set up a viable unit producing solar water heaters, which notched up a sales figure of 2,000 units in two years.

"Our goal is to produce quality goods at optimum cost and market the same at reasonable price. So as to achieve total customer satisfaction, fair return for all other stakeholders and continued growth for the corporation through sustained innovation. And in order to achieve this goal, we shall work hard, manage men, material and money in an integrated, efficient and economic manner keeping in view that social responsibility and environmental concerns are equally relevant", says Mr Jain.



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— Mr B H Jain
Chairman

being restructured, while it is adopting a profit-centred approach," he says.

"The group's three companies — viz, Jain Plastics & Chemicals, Jain Kemira Fertilizers and Jain Rahan Biotech — are being merged into the flagship company Jain Irrigation Systems. This merger makes Jain Irrigation a one-stop shop for the manufacture and marketing of hitech agro inputs. It will purchase, process and add value to formers' produce", claims Mr Jain.

The group's think tank has estimated that it will be able to recover round about Rs 35 crore from the sale of non-core businesses and the surplus real estate in a phased manner. Jain Securities International, another group company, is expected to bring in Rs 9 crore, from various bought-out deals that it has entered into.

"In fact, after its strategic disinvestments, the company has projected a growth of 30 per cent annu-

moulded component exports have also been witnessing large volumes leading to better revenue realisation", he adds.

Incidentally, the Jain group is the largest producer of micro irrigation systems in the country. In addition to manufacturing and supplying necessary components for cost effective and efficient micro irrigation systems, Jain Irrigation also undertakes turnkey projects offering complete support including system planning, design, installation, after-sales services, agricultural and technical services.

"We expect to gain immensely from the government's thrust on agriculture through our drip irrigation business," says Mr Jain. He sees vast business opportunities in measures such as qualitative improvement of the agriculture, increase in subsidies, policy initiatives to bring waste and barren land into productive agriculture/agro forestry and increased public and private investment in agriculture and