


Supreme Industries:
Making it a
'Plastics World'

Cosmo Films:
The Industry Leader in BOPP Films

India's 'One-stop-shop' for the Agricultural Industry... Jain Irrigation Systems Limited



RIL's CRM Initiatives
Spell Success


Reliance Polymers
We Support Life

POLYMER BIZ

A Reliance Publication for the Polymer Industry

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Cosmo
Films



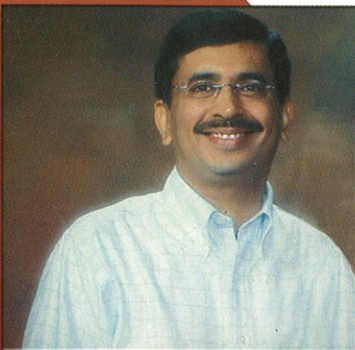
Taking
Plastics to
a New High
Industry


Leaders chart

 New Directions

The Supreme

Industries Limited




Jain
Irrigation
Systems
Limited



POLYMER BIZ

M E S S A G E S

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Which path does Reliance Industries plan to take to uphold its position as the industry leader in polymers? RIL visionaries at the helm reach out to customers, focusing on the way forward.



C O V E R S T O R Y

The Indian Polymer Industry: On the Fast Track

With sophisticated and world-class high capacity machines, enhanced design capabilities, technological know-how, improved productivity and asset utilisation, global practices in production, quality and design, development of new products and applications, India, by 2010, would be the third largest polymers consumer in the world. A report.



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S P O T L I G H T

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A focus on the plastics industry's high performers, RIL's customers who have dramatically transformed our industry with their dynamic leadership – The Supreme Industries Limited, Cosmo Films, and Jain Irrigation Systems Limited.



B U I L D I N G B O N D S

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A report on the various Customer Relationship Management initiatives.



M A N A G E M E N T F O C U S

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Six Sigma – Making it Work for You

It is today's most talked-about system for improving the quality of organizational processes. **Six Sigma** – the two power words that top companies are using to hone their performance. An insight into what the programme is all about.



C O R P O R A T E N E W S

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CFTRI Approval for Reliance's PE and PP Grades for Food Contact Applications

RIL Wins Accreditation from NABL



F A I R S H A R E

3 0

Looking back on and forward to some of the prestigious international and national trade fairs and exhibitions.



JAIN IRRIGATION SYSTEMS LIMITED

India's only 'One-stop-shop' for the Agricultural Industry

Each product of the Jain Irrigation Group is an outcome of the effort to conserve nature's precious resources through substitution or value-addition. This is the legacy of a deliberate and conscious



*Working for agriculture
– The Jain Group*

endeavour that stems from a deep-rooted concern for nature.

The products of Jain Irrigation Systems include micro irrigation systems and

components, PVC and PE piping systems, moulded and extruded plastic products, plastic sheets, dehydrated onions and vegetables, processed fruits, tissue culture plants, green houses, liquid/water soluble fertilizers, bio-pesticides, bio-fertilizers and solar water heating and lighting systems – making it the only 'one-stop-shop' encompassing manufacturing and marketing of hi-tech agricultural inputs and services as well as processing of agri-produce.

POLYMER BIZ met with **Mr. Anil B. Jain, Managing Director, Jain Irrigation Systems Limited**, to get a few insights into his company and returned with a fascinating overview of the company, its products, its philosophy and more...



Jain PE pipes

Could you give us an overview of the Jain Group, its products and their application?

The Jain Group is basically an agriculture-based company. But at the same time being a very large plastics processor company, we use lots of plastics in agriculture so we are a prominent plasti-culture company. We are based in Jalgaon and have been in the business for more than 40 years now. We are the pioneers of drip and micro irrigation and among the top in PVC pipes and largest polyethylene pipes which are used for cable ducting, water and gas distribution.



Micro irrigation components

The Jain Group is the largest company of its kind in the organised sector. Apart from the piping and drip irrigation business, the Group is in plastic sheets which are made for domestic and international markets; these are made from PVC as well as polycarbonate, etc. The Jains are also in the food processing business, thus uniquely covering the entire value-chain of agriculture – we sell the inputs to farmers, buy-back what they produce, add value and sell the end product – dehydrated onions and food pulp – to MNCs in India and the overseas market.

Jain Group has been in the news recently for its string of acquisitions of companies in India and abroad. Can you provide us with some details about that?

Domestic Acquisition

In May 2005, we acquired a 45% stake in Terra Agro Technologies Limited (TATL), Coimbatore, for Rs. 130 million. TATL was incorporated in November 1994 as a 100% export oriented unit (EOU) for captive cultivation and processing of dehydrated vegetables solely for export. We believe TATL's holdings of developed and irrigated land in southern India will give us a strategic foothold to expand our integrated product offerings in that region.

In January 2006, we acquired the undertaking of LMP Gujarat Agro Exports Limited (LMP) for a purchase price of Rs. 53 million. LMP is a 100%

EOU for dehydration of vegetables with a capacity of 2,000 tonnes per annum located at Dhobikuva village, Taluka Padra in the district of Vadodara in the State of Gujarat.



Greenhouses built by the Jain Group

The Jain Group...

Irrigation Systems and Components

- Drip Irrigation Systems
- Sprinkler Irrigation Systems
- Valves
- Water Filters
- Fertigation Equipment

Value Addition for Agriculture

- Green Houses
- Plant Tissue Culture
- Nursery Plants and Systems
- Bio Fertilizers

Processed Food

- Fruit Processing
- Onion and Vegetable Dehydration

Pipes and Pipe Fittings

- PVC Pipes and Pipe Fittings
- PE Pipes and Pipe Fittings

Plastic Sheets

- PVC Sheets
- PC Sheets

Solar Energy

- Solar Water Heating Systems

Turnkey Services

- Turnkey Project Services
- Roof Cooling Systems
- Agricultural and Engineering Consultancy

Overseas Acquisition

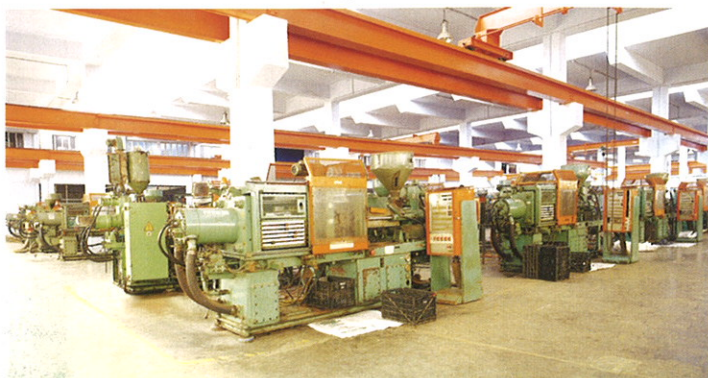
On January 24, 2006, we signed an MOU to invest up to US\$ 3 million in the debt and equity of US start-up company, Nu Cedar Mills Inc. (Nu Cedar). Nu Cedar plans to focus on the manufacture, distribution and installation of PVC sidings for home building products. We believe Nu Cedar's proposed operations are complimentary to our current PVC sheets business.

We are currently taking steps to incorporate in South Africa a second Generation wholly-owned subsidiary under the name of Jain Irrigation SA (Pty) Limited (JSA). It is intended that JSA will be based in Johannesburg, South Africa, and will be responsible for administering our exports to Africa.

In February 2006, we acquired through our UK-based subsidiary, Jain (Europe) Limited, an approximately 7.5% stake in the capital of Eurodrip S.A Irrigation System (Eurodrip), one of Europe's largest micro irrigation companies. This acquisition follows our execution of an MOU with Eurodrip which contemplates our working together in a synergistic and complementary manner, such as by purchasing and distributing each others products.

Jain Irrigation has acquired 100% shareholding control of Chapin Watermatics, New York, USA, through its second generation wholly-owned subsidiary, Jain (Americas), at approx. US\$ 6 million in cash and debt with deferred payment terms. Chapin Watermatics Inc. USA is a pioneer

A view of the Jain Injection Mould Plant





The Training & Extension Centre

and leading manufacturer of drip tape and is known as a complete source for field crop, nursery and green house drip irrigation systems.

Distinctions earned by the Jain Group:

- Rs. 2,896 million exports in FY 2005-06, some to the toughest markets in the world
- The largest producer of plastics in India
- Pioneers of micro irrigation systems in India
- The only manufacturer producing the widest range of plastic sheets (PC & PVC) under one roof
- ISO-9001 from RWTUV, Germany for PVC pipes and fittings, polytubes, emitting pipes, plastic sheets, onion dehydration divisions and fruit processing

How has the Indian agricultural industry evolved in the last 20 years? Can you give us a general idea about future growth?

Agriculture has been lagging behind in the last 20 years. Investment in agriculture has been continuously going down. It has been a neglected sector and the problems of natural resources like seasons, monsoons still hit hard. There have been some success stories on horticulture side but by and large it has been a dismal picture. However, the irrigation industry is looking forward to good times because there is a lot of latent demand. Water management is an important issue and efficient irrigation systems are very essential for the country. Government of India has agreed to put large amount of new resources in micro irrigation systems.

The Jain Plastics Sheet Plant



The Jain Group is known as India's only one-stop high-tech integrated agricultural shop. What exactly do you mean by this?

Farming in India is no longer confined to sustenance farming. It is looked upon as a business. To be able to do this as a business, the modern farmer must be able to economize on his inputs, so that costs towards fertilizers, labour, etc. will reduce and he can produce the maximum. Yields in Indian agriculture are very low, compared with other countries. Jain Irrigation provides the farmers with their entire needs, helps the farmers reduce the amount of inputs, reduce costs and at the same time increase the amount of output (yield) – to get 30/40% and sometimes even 100% more yield for various crops. There is no other company so uniquely positioned. Jain Irrigation provides not only the inputs but also advice and services and helps the farmer throughout the entire crop-cycle to grow more, e.g. irrigation, fertigation equipment, plant-material, seed material, advice on how to grow his crop, buy what he grows, etc.

Tell us a little about your exports.

We have a large amount of exports. We export PVC sheets, poly-carbonate sheets, micro irrigation systems, dehydrated onion and other processed fruit products. In the financial year ended March 2006, we exceeded Rs. 2,896 million in overall exports, of which sheets was Rs. 1,869 million, pipes & micro irrigation systems was Rs. 308 million and dehydrated onions and processed foods was Rs. 719 million. We also export our pipes but comparatively in smaller quantities. We supply our various products to about 70 countries all over the world. On a global scale, we must be among the top three in the world in plastic sheeting.

When we talk about plastics, what are the growth areas in the Indian agriculture industry? Do you think the Government can help the growth of the plastic industry in anyway?

Irrigation is an area that will continue to grow – water-management systems are where a lot of plastics are used. In the future, mulching has great growth prospects. Plastic usage in piping application will continue to grow due to focus and



The PVC Pipe Plant

additional investment in the irrigation sector.

I think the way the Government can help is to put usage of these items in agriculture on a 0% VAT category and possibly reduce the excise duty of these items from 16% to 8%. These taxes make it very expensive for the farmer, so a reduction will help to increase the growth.

What are your views on the development of the Indian plastic processing machinery sector?

I don't think India is producing material or equipment of the quality that can give you global scale, throughput that will allow you to compete in all markets. Domestic manufacturers also need to improve on the raw materials side and make available better grades to suit these applications. While lot has been done we need to fan and do far more.



The Jain Polytube and Inline Plant

Can you give us an overview of the polymer industry and its future growth prospects?

The growth of the polymer industry was stagnant over the last few years because polymer prices went up considerably. In the end, for products in India, cost is always a big criterion. As a processor you can't always pass on the price-increase to the customers. That has given a setback to the industry and not many people have added capacity over the last few years in the industry. This is not a good sign. So overall for the last 3-5 years, developments in India have not

been very favourable for the industry except in certain sectors.

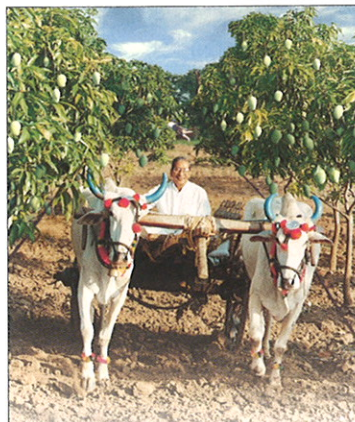
However, during the last two years lot of new capacity has been added due to auto business as well as more industrial demand. Government spending on infrastructure is also improving which shall result in higher demand for pipes, etc.

Tell us more about your R&D facilities.

We have huge R&D facilities on the agricultural side – a 1,000-plus acre R&D farm in Jalgaon, Maharashtra. On the farm we have a training institute where we train farmers, trainers and government officials. Recently we have taken over a new company near Coimbatore which also has 1,200 acres of land. We plan to do R&D even at that location which will help our customers/farmers in Southern India.

What are the future challenges for Jain Irrigation Systems?

Drip-irrigation is growing quite a lot, it helps the farmer to save water and improve productivity and at the same time save labour as well as fertilizer. It's a revolutionary technology and it is something without which India cannot go forward. The potential and challenges are enormous because in India we have small land-holdings of about one hectare. To be able to deliver the products and services in the hinterland costs a lot of money and requires a lot of resources and patience. So while the opportunities are many, there are also challenges, so unless you are very committed to the subject sector and are willing to put in a large number of resources you cannot succeed.



Mr. Bhavaslal Jain – Founder Chairman, Jain Irrigation Systems Limited.

Accolades

In 1997, Irrigation Association, USA, conferred the 'Crawford Reid Memorial Award' on Mr. B.H. Jain in recognition of "his significant achievements in promoting proper irrigation techniques and in fostering major advancements in the industry outside the United States." Mr. B.H. Jain is the first Indian and the second Asian to have received this Award.

This Award recognized the fact that Mr. B.H. Jain envisioned and raised an altogether new micro irrigation industry in India in a scientific way.



The Crawford Reid Memorial Award