



Success Story : Jain Irrigation Systems Limited

Incorporated in December 1986, Jain Irrigation Systems Limited [JISL] is promoted by Mr. Bhavarlal H. Jain. JISL is a pioneer in the field of micro irrigation systems in India. A quote "Agriculture: A Profession with Future" continues to inspire JISL throughout its journey of well over two decades.

JISL's business started in Jalgaon, Maharashtra, India, which is primarily agriculture oriented. The business has since grown worldwide. JISL is present in 110 countries, which are serviced by 64 offices, 28 warehouses / depots, over 3000 distributors and over 5000 employees. This structure is supported by 21 plants spread within India and overseas.

JISL is well known across the world as 'Drip Irrigation System Company'. The company enjoys 50% market share of irrigation system business in India, which is in a growth phase. There is, however, more to JISL than just drip irrigation or water management. It has business groups encompassing Hi Tech Agri Products [HTA] and Industrial Products.

While dealing in such diverse product lines, the company has retained its focus on quality, be in terms of products or production processes.

All divisions of Irrigation, Plastic Piping & Plastic Sheet are accredited with ISO-9000:2001 and ISO-14001:2004 certifications. Food division of JISL has received ISO-22000:2005, BRC, HACCP, SGF and KOSHER quality certifications. Agriculture division of the Company is in receipt of EUREPGAP quality certification.

Jain has consciously worked towards and has developed various brands, which include 'Jain Pipes', 'Jain Drip', 'Jain PE Pipes', 'Jain Sprinklers', 'FarmFresh', 'EXCEL', 'Jain Tissue-Culture', 'Jain Solar' and 'Jain Greenhouse'. JISL has made 5 overseas and 7 domestic acquisitions in the recent past. These include:

USA

- Jain (Americas) Inc.
- Aquarius Brands Inc. California (acquired in February 2007): engaged in micro irrigation systems for agriculture, landscape, and nursery.
- Chapin Watermatics, Inc., based in Watertown, USA, (acquired in April 2006), engaged in micro and sprinkler irrigation products.
- NuCedar Mills
- Cascade Specialities Inc, based in Oregon, USA in end of FY 2005-06: with this acquisition JISL has become third largest onion dehydrator with end product capacity of 25,000 MTPA.

Europe

- Jain (Europe) Ltd.

Israel

- Naandan Jain Irrigation Systems Ltd., Israel, pioneers of Drip and Sprinkler technology, with distribution arrangements in 70 countries.

Apart from the above, JISL also operates Associate Offices in Sri Lanka, France, Egypt, and Australia. The overseas acquisitions have added various new brands in the portfolio of JISL, which include 'Aquarius' [Drip Irrigation], 'API' [Drip Irrigation], 'PEPCO' [Drip Irrigation], 'Chapin' [Drip Irrigation], 'Naandan Jain Irrigation' [Drip Irrigation], 'Cascade Specialties' [Onion Processing] and 'NuCedar Mills' [Plastic Sheets].

Net sales of JISL increased to Rs.12.02 billion for FY2006-07 from Rs. 8.56 billion for FY2005-06, y-o-y growth of 40.4%. JISL has always been exporting its products and has been deriving more than 30% of its sales from overseas markets. This strategy was adopted to de-risk its business model, which is led by Irrigation system business, which in India is still largely driven by government policies, allocations and spending. JISL's exports have increased

from Rs.2.90 billion for FY2005-06 to Rs. 3.72 billion for FY2006-07, [y-o-y growth of 28%]. Net profit of JISL has been increasing on the back of increasing revenues, scale of operations and improvement in overall efficiencies. Net profit increased from Rs.670 mn for FY2005-06 [7.66% of net sales] to Rs.990 mn for FY2006-07 [8% of net sales], y-o-y growth of 48%. During FY2007-08, the company has continued to progress on the growth path with net sales, exports and net profit growing by 41%, 10% and 58% for nine months ended 31.12.2007.

JISL has been recipient of 128 awards, which includes 87 awards from various Ministries of Government of India like Ministry of Commerce & Industries, Ministry of Food Processing and Ministry of Science and Technology.

Support from Exim Bank:

Exim Bank has been supportive of Indian industry in their globalization efforts, be it in terms of manufacturing & export of world class products and services or setting up wholly owned subsidiaries or joint venture companies overseas or acquisition of foreign companies. Exim Bank's association with JISL dates back to 1997, when JISL was setting up Food Processing Unit in technical and marketing collaboration with Chiquita Inc., USA. Since then, Exim Bank has extended various term loans to JISL for setting up new plants, up-gradation of technology by replacement of existing machinery with imported machinery and capacity enhancements. As a result of these expansion and modernization programs, JISL is processing 200,000 metric tonnes of various polymers, 125,000 lac metric tonnes of fruits and 80,000 metric tonnes of onion and vegetables.

Exim Bank has also financed most of the overseas acquisitions of the Company in USA and Israel. Exim Bank has thus, been instrumental in making JISL a truly Indian MNC on world map of Irrigation System and Food Processing. Exim Bank has also extended working capital finance to JISL to finance execution of contracts / orders for export of its products and services to various countries.