



**Jain Irrigation Systems Ltd.**

*Small Ideas. Big Revolutions.\**

**"Leave this world better than you found it."**

JISL/SEC/2023/02/B-2/B-6

Founder - Bhavarlal H. Jain (1937 - 2016)

11<sup>th</sup> February, 2023

To,  
Bombay Stock Exchange Ltd.,  
Corporate Relationship Department,  
1st Floor, New Trading Wing, Rotunda Building,  
P. J. Tower, Dalal Street,  
Mumbai - 400 001.  
Fax No. 022- 22723121/22722037 (Day)  
022-22721072 (Night)  
Email: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

To,  
National Stock Exchange of India Ltd.,  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051.  
Fax No. : 022-26598237/38  
Email : [cc@nse.co.in](mailto:cc@nse.co.in)

**Ref: Code No. 500219 (BSE) & JISLJALEQS (NSE) for Ordinary Equity Shares  
Code No. 570004 (BSE) & JISLDVREQS (NSE) for DVR Equity Shares**

**Sub: Investor Communication Q3 FY23**

Dear Sir/Madam,

Attached is the Investor Communication issued by the Company after the Board Meeting held on 11<sup>th</sup> February, 2023 for your record and reference.

Please receive the above in order and acknowledge.

Thanking you,

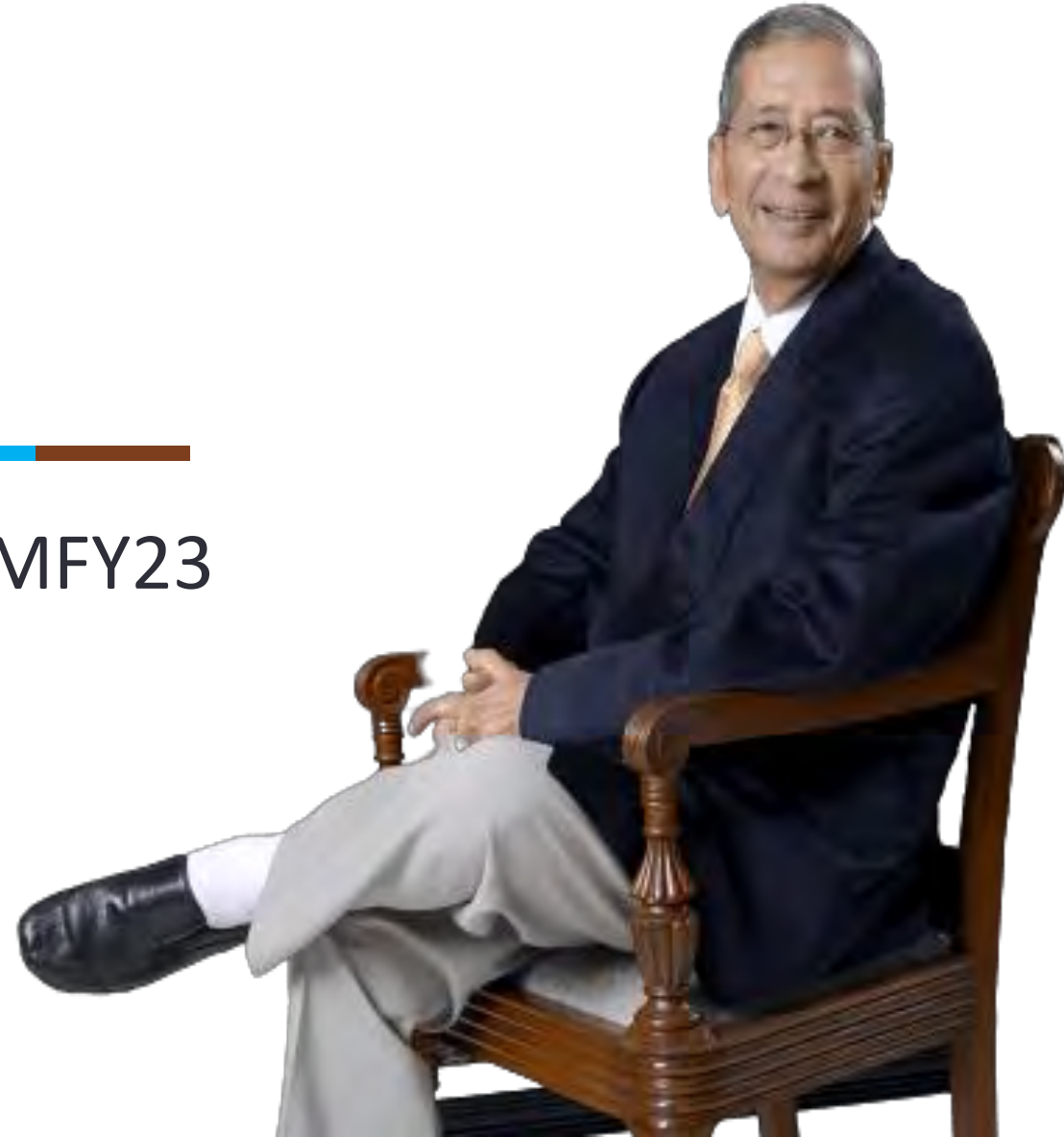
Yours faithfully,

**For Jain Irrigation Systems Ltd.**

**A. V. Ghodgaonkar  
Company Secretary**



Investor Communication Q3FY23 & 9MFY23  
**11-February-2023**





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# Business Vertical



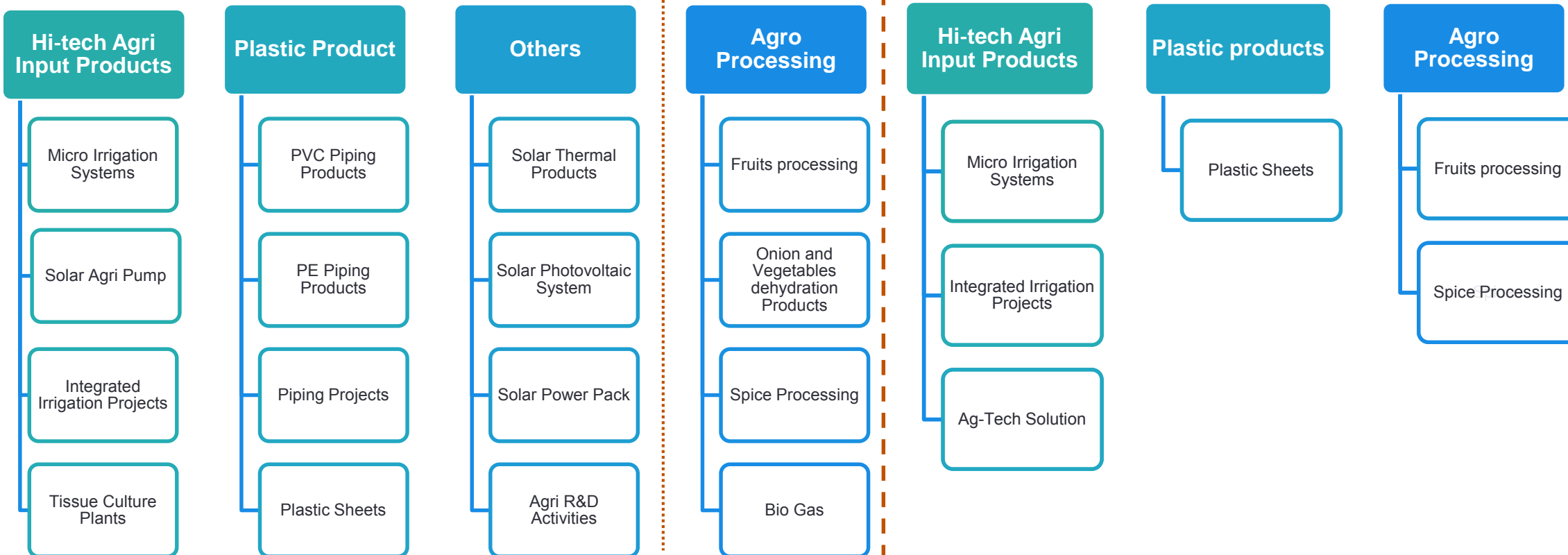
# Business Vertical

## Consolidation

### Standalone

### Food

### Overseas Operation



### India Operation



# Management Commentary





# Management Commentary

*“Leave this world better than you found it.” – Bhavarlal H Jain*

We are pleased to share with you the results of the third quarter and nine months ended 31 December 2022. We have achieved significant growth in revenue and earnings in line with our expectations. We believe this strong momentum will carry forward in current quarter as well as foreseeable future. Our underlying businesses are receiving continual traction due to positive demand and our execution capacity. We plan to remain focused on balance sheet while managing growth rates.

Some of the key takeaways are summarized below:

- The Company has achieved a consolidated revenue of ₹ 20.2 billion with a significant growth of 25% on a Y-o-Y basis (EBITDA margin 11.8%) for the quarter. Further, for the nine months ended, the consolidated revenue grew by 12.5% to reach at ₹ 56.7 billion (EBITDA margin 11.9%).
- For the nine months ended, Company has generated cash after working capital changes of ₹ 4,683 million (consolidated basis) and ₹ 2,392 million (standalone basis).
- Net Working Capital Cycle has improved by 76 days as compared to Dec-21 on a standalone basis and company remains focused for further improvement
- Company has commenced its supplies under ‘Jal Jeevan Mission’ in Maharashtra as per the rate contract agreement.
- The Company remains steadfast in its efforts to improve margins and cash flows to achieve our long-term goals.



# Product diversification, Customer centricity, Strong R&D capabilities, and Technology enabled solutions will propel our future growth



## Market Penetration & Industry Application

- ▶ Improving dealer density by appointing 500+ new distributors / dealers / sub-dealers in existing and unrepresented geographies
- ▶ Tapping new industries by identifying additional use cases of our products and solutions
- ▶ Expanding the retail product portfolio: Innovative solutions in the PVC, Micro Irrigation, Renewable energy
- ▶ Increasing farmer touchpoints and becoming a total solution provider for growers



## Operational Excellence

- ▶ Implementing energy efficient and sustainable water management practices to reduce the overall carbon footprint
- ▶ Improving working capital cycle and focusing on reduction of government receivables
- ▶ Organizational redesign to increase market share across two distinct verticals – Sustainable AgTech Solutions (SaS) and Piping and Building Product Solutions (PBPS)
- ▶ Efficient supply chain management through predictive modelling and digital solutions will help in inventory management and order placement



## Farmer Engagement

- ▶ Inclusive growth of farmers by bringing them into mainstream using modern Ag-tech Solutions
- ▶ Organizing large scale farmer awareness programs to encourage them to adopt modern irrigation equipment and guide them to improve crop yields
- ▶ Launching Cloud based Digital Advisory and monitoring services for farmers



## R&D and Technology

- ▶ Expanding product offering under Tissue culture division by adding more crops i.e. coconut, potato, orange, mango, turmeric, ginger etc
- ▶ Expanding Precision Farming and Protected Cultivation offerings
- ▶ Developing a “Farmer Connect” app for instant and better interaction



# 3

## Financial Highlights



# Financial Performance - Standalone

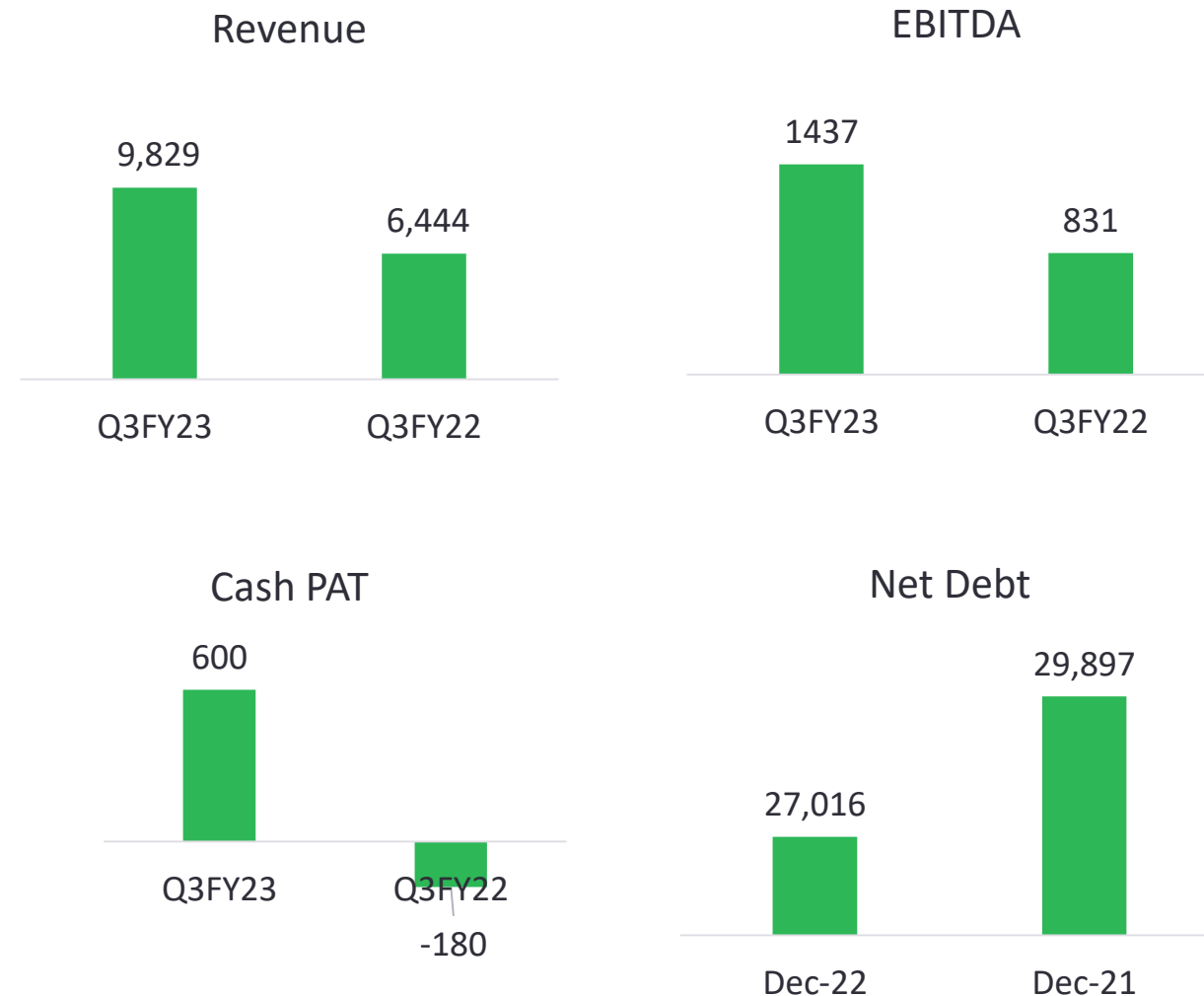
All figures in ₹ Million

Particulars	Q3FY23			Q3FY22			YoY change		
	Q3FY23	Q3FY22	YoY change	9MFY23	9MFY22	YoY change			
Revenue	9,829	6,444	52.5%	24,475	19,797	23.6%			
EBITDA	1,437	831	73.0%	3,298	2,784	18.5%			
Margin	14.6%	12.9%	-	13.5%	14.1%	-			
PAT	225	(556)	-	47	(1,100)	-			
Cash PAT	600	(180)	-	1,170	59	-			

# Financial Highlights - Standalone

All figures in ₹ Million

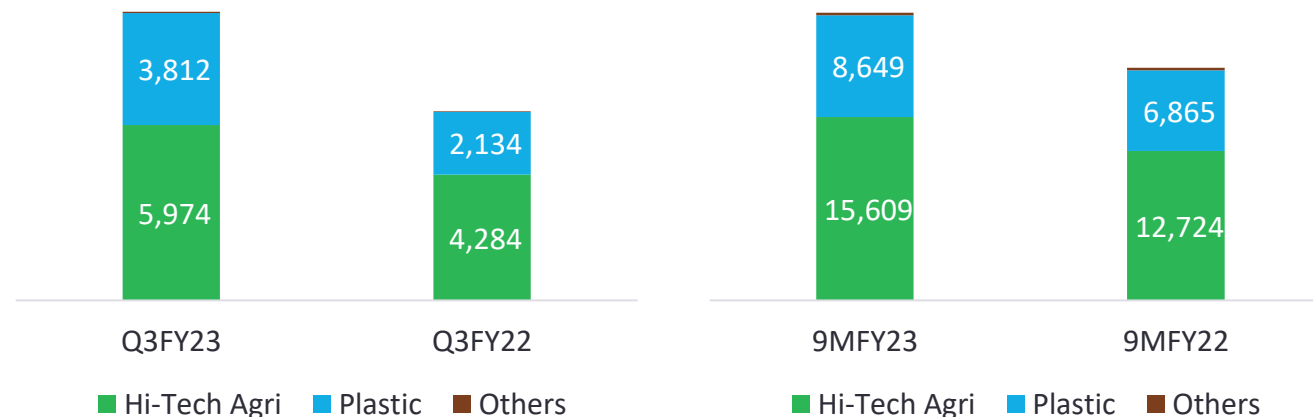
<p><b>Revenue</b> ₹ 9,829 Mn</p> <p>52.5%</p>	<p>With increased demand in domestic market and company's resilience to cater the needs with affordable agri solutions, the company registered significant growth of 52.5% on Y-o-Y basis in the current quarter.</p>
<p><b>Cash PAT</b> ₹ 600 Mn</p>	<p>With rationalization of input costs, higher capacity utilization, better absorption of fixed costs and savings in finance cost post the successful implementation of debt resolution plan, the cash profitability has improved during Q3FY23</p>
<p><b>Net Debt</b> ₹ 27.0 Bn</p>	<p>The company is on track to achieve its debt reduction targets. The net debt position has improved by 10% over the course of last twelve months</p>



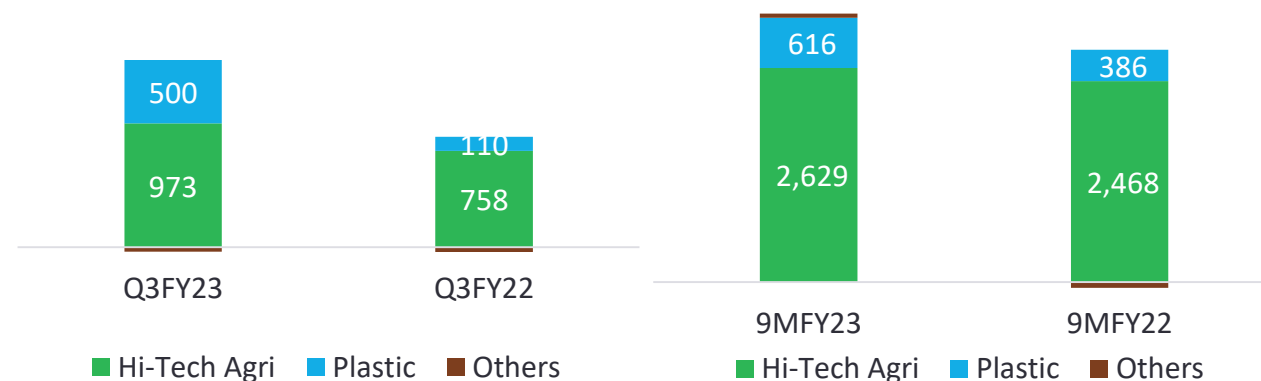
# Segment Reporting - Standalone

All figures in ₹ Million

## Revenue



## EBITDA



YoY Revenue

### Hi-Tech Agri

Q3 ↑ + 39.5%

Quarterly growth is driven by strong demand from micro irrigation business

9M ↑ + 22.7%

Nine months growth is driven by strong demand from the retail segment of micro irrigation business

YoY Revenue

### Plastic

Q3 ↑ + 78.6%

Significant growth is driven by demand from PVC Pipe retail business

9M ↑ + 26.0%

On nine month basis, the plastic segment sales grew 26% mainly due to increase in PVC Pipe retail business

# Financial Performance - Consolidated

All figures in ₹ Million

Particulars	Q3FY23	Q3FY22	YoY change	9MFY23	9MFY22	YoY change
Revenue	20,166	16,137	25.0%	56,670	50,359	12.5%
EBITDA	2,388	1,739	11.8%	6,742	6,704	11.9%
Margin	11.8%	10.8%	-	11.9%	13.3%	-
PAT	(495)	(721)	-	(1,450)	496	-
Cash PAT	335	115	3x	1,026	3,014	-



# Financial Highlights - Consolidated

All figures in ₹ Million

**Revenue**  
₹ 20,166 Mn

↑ 25.0%

Consolidated revenues have depicted a good growth fostered by demand from the Indian market and Agro Processing segment.

The International business remained resilient amidst weak global cues

**EBITDA**  
₹ 2,388 Mn

↑ 37.3%

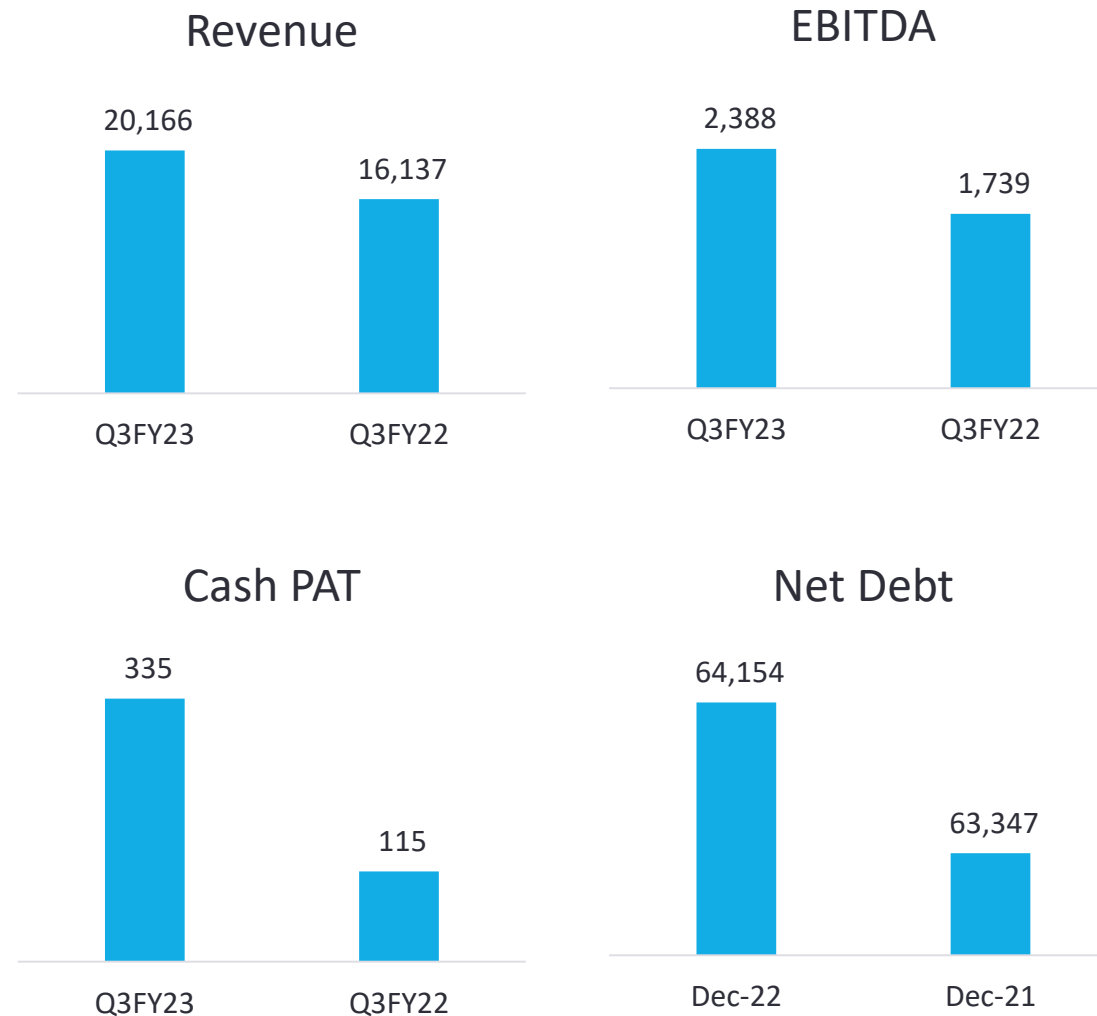
EBITDA margins has shown considerable improvement due to improved margins in Plastic Business coupled with increased volumes

We expect margins to improve as higher demand will lead to better fixed cost absorption

All overseas businesses contributed a stable margins for the quarter.

**Net Debt**  
₹ 64.2 Bn

Consolidated net debt as on 31 December 2022 – at ₹ 64.15 Bn after considering the impact of MTM of ₹ 759 million due to rupee depreciation during Q3 on the foreign denominated debt



# Segment Reporting - Consolidated

All figures in ₹ Million

YoY Revenue

## Hi-Tech Agri

Q3 ↑ +18.8%

9M ↑ + 9.3%

Despite of stable global markets, the Irrigation Business has registered commendable growth on account of increased demand in Indian markets.

YoY Revenue

## Plastic

Q3 ↑ +48.6%

9M ↑ +20.4%

Plastics Segment has registered a significant growth of 48.6% mainly due to increased contribution from the PVC pipe division in retail business.

Rupee depreciation against European currencies is impacting the overall revenue.

YoY Revenue

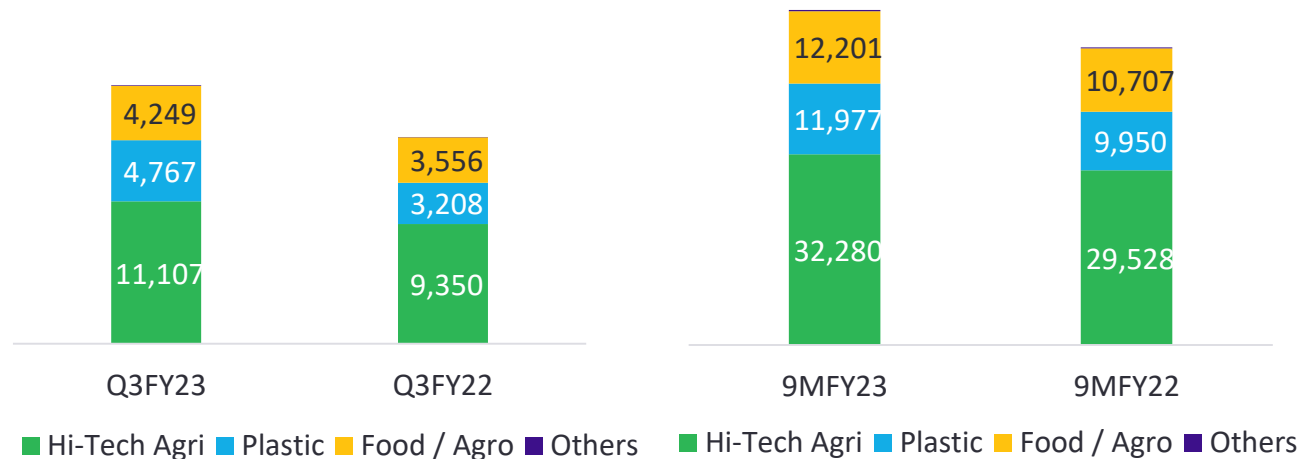
## Agro Processing

Q3 ↑ +19.5%

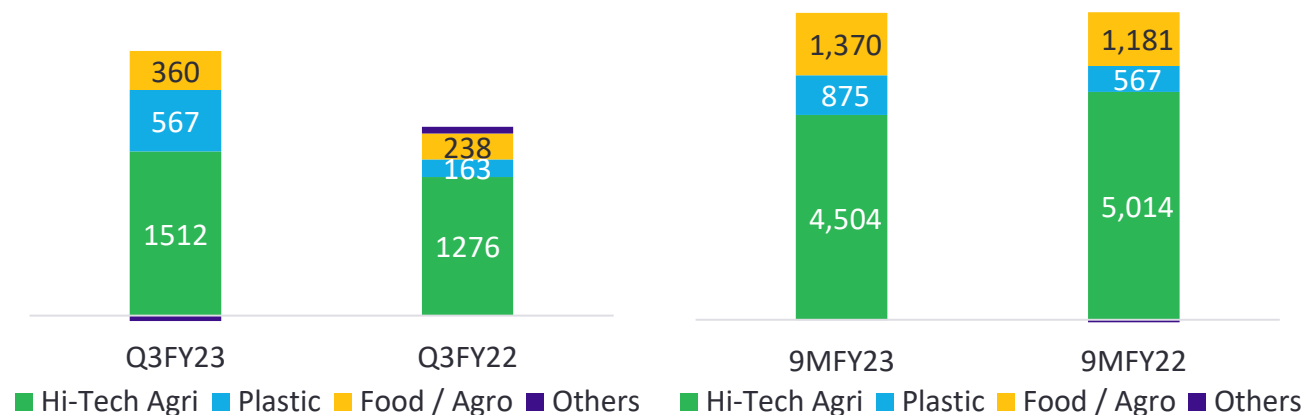
9M ↑ +14.0%

Food processing business in the UK and US market showed robust demand. Domestic market also picking up demand by institutional customers.

## Revenue



## EBITDA



# Financial Position

All figures in ₹ Million

Particulars	Standalone			Consolidated		
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	30-Sep-22	31-Dec-21
Non current assets	44,688	45,026	46,359	60,610	60,917	62,975
Current assets	38,320	37,252	41,913	65,405	64,564	67,322
Non current liabilities	1,187	1,267	1,526	3,019	3,092	3,045
Current liabilities	8,770	8,012	14,428	20,072	19,799	25,401
<b>Capital employed</b>	<b>73,051</b>	<b>72,999</b>	<b>72,318</b>	<b>102,924</b>	<b>102,590</b>	<b>101,852</b>
Net worth	45,579	45,359	38,614	36,427	36,911	33,024
Borrowings	27,472	27,641	33,704	66,497	65,679	68,828
<b>Sources of funds</b>	<b>73,051</b>	<b>72,999</b>	<b>72,318</b>	<b>102,924</b>	<b>102,590</b>	<b>101,852</b>

# Working Capital Cycle



All figures in days

31 Dec 22

30 Sept 22

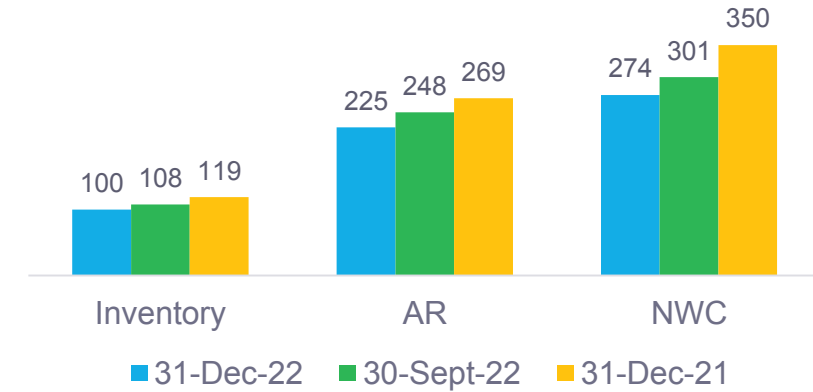
31 Dec 21

Standalone	Inventory	AR	NWC
Hi-Tech Agri	116	270	322
Plastic	58	138	170
<b>Total</b>	<b>100</b>	<b>225</b>	<b>274</b>

Inventory	AR	NWC
126	293	365
58	154	157
<b>108</b>	<b>248</b>	<b>301</b>

Inventory	AR	NWC
136	313	395
67	165	225
<b>119</b>	<b>269</b>	<b>350</b>

## Standalone

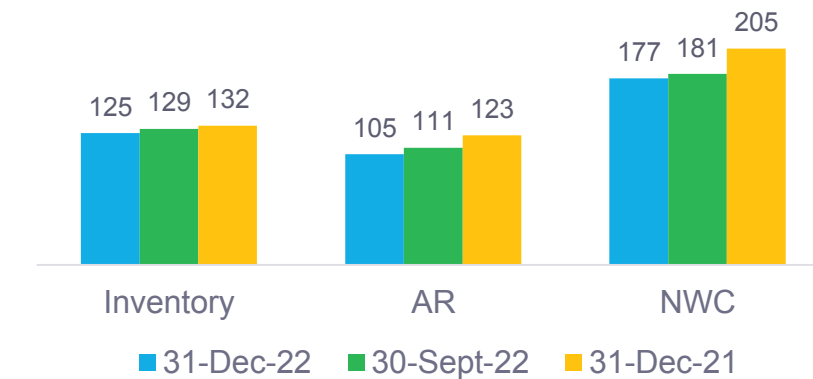


Consolidated	Inventory	AR	NWC
Hi-Tech Agri	111	127	192
Plastic	60	85	118
Agro/Food	220	57	183
<b>Total</b>	<b>125</b>	<b>105</b>	<b>177</b>

Inventory	AR	NWC
112	135	202
56	95	105
239	56	179
<b>129</b>	<b>111</b>	<b>181</b>

Inventory	AR	NWC
113	146	215
66	105	155
236	61	197
<b>132</b>	<b>123</b>	<b>205</b>

## Consolidated



# Robust Order Book Position

## Standalone

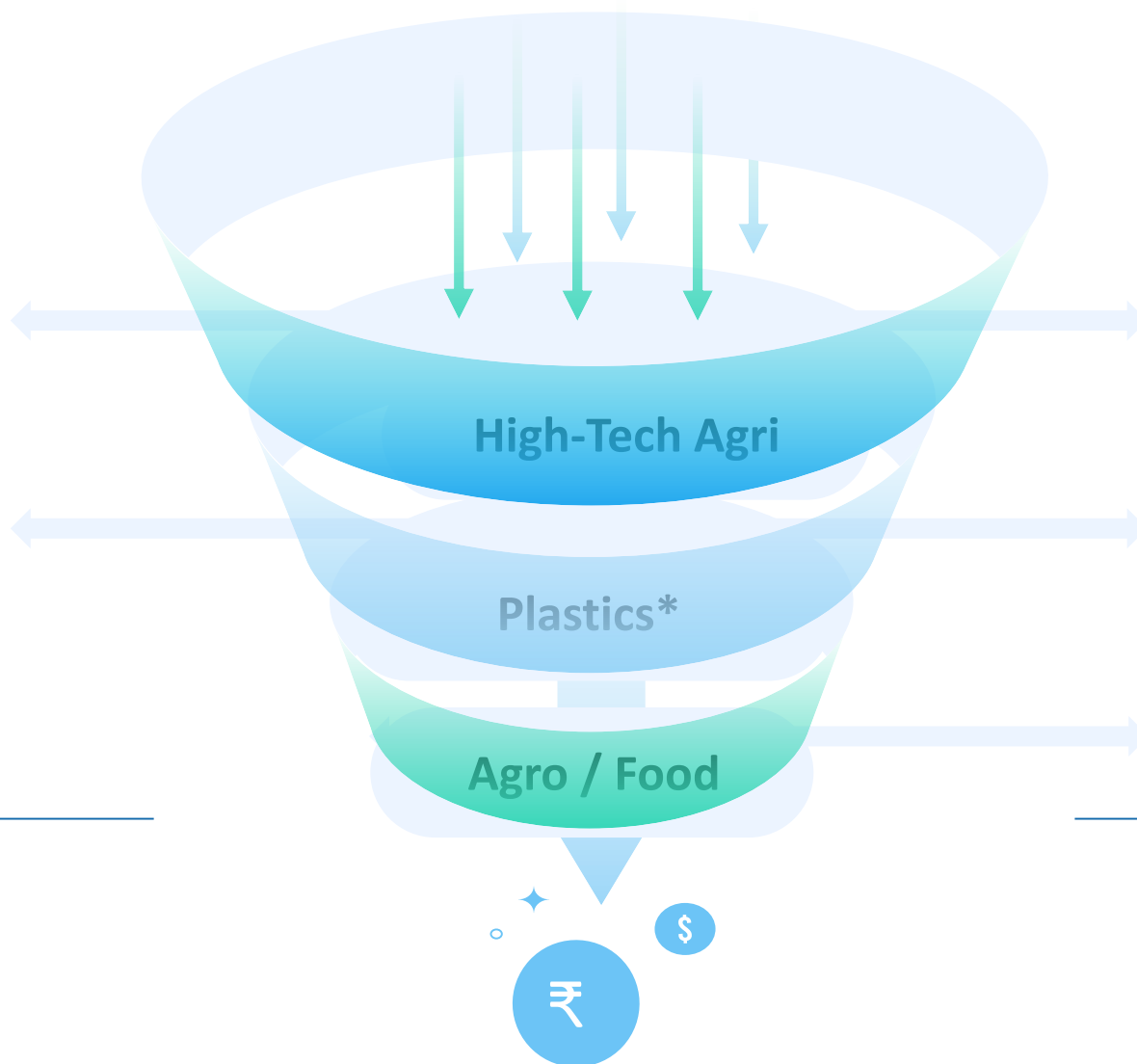
₹ 10,803 million



₹ 6,433 million

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₹ 17,236 million



## Consolidated

₹ 14,161 million



₹ 6,582 million



₹ 9,941 million

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₹ 30,685 million



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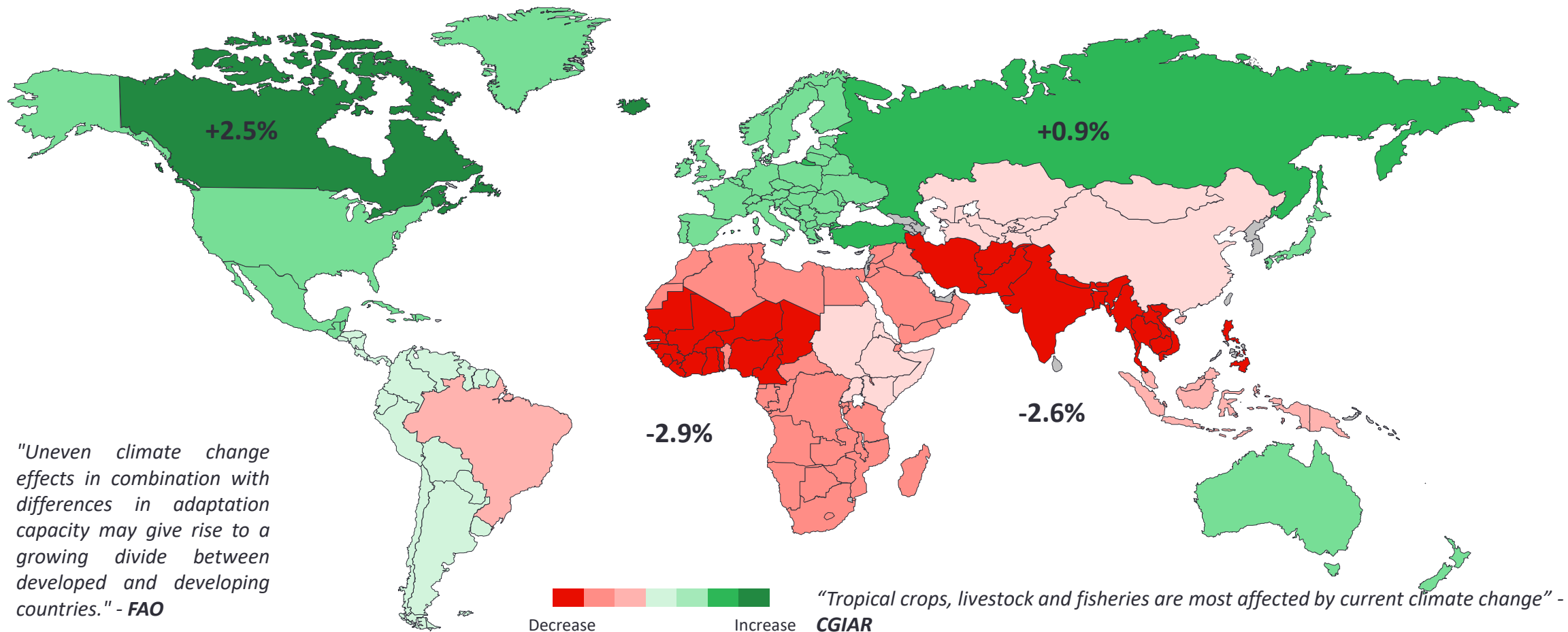
Industry Tailwinds



## Recent Union Budget – What it brings for the Industry....

- Allocation of ₹ 7,150 crore for Rashtriya Krishi Vikas Yojna (restructured and merged scheme PMKSY, PKVY, RADCC etc.) for achieving high growth in agricultural sector, higher returns to the farmers and for integrated development by focusing on food security, sustainable agriculture, production of oil seeds and agricultural extension.
- Atmanirbhar Clean Plant Program to boost availability of disease-free, quality planting material for high value horticultural crops at an outlay of ₹ 2,200 crore.
- Allocation of ₹ 69,684 crore under the Jal Jeewan Mission targeted to provide piped drinking water to every household in India by 2024
- Central assistance of ₹ 5,300 crore will be given to Upper Bhadra Project in Karnataka to provide sustainable micro irrigation and filling up of surface tanks for drinking water.
- Under the Saptarishi (Seven Priorities) as identified in the budget, Green Growth has been focused thereby boosting the Solar Energy and Wind energy.
- ₹ 15,000 crore will be made available to implement the Pradhan Mantri PVTG Development Mission in the next three years under the Development Action Plan for the Scheduled Tribes which includes provision of clean drinking water.

# Changes in agricultural production by the year 2050 due to climate change relative to baseline\* is likely to impact crop yields across the globe



*"Uneven climate change effects in combination with differences in adaptation capacity may give rise to a growing divide between developed and developing countries." - FAO*

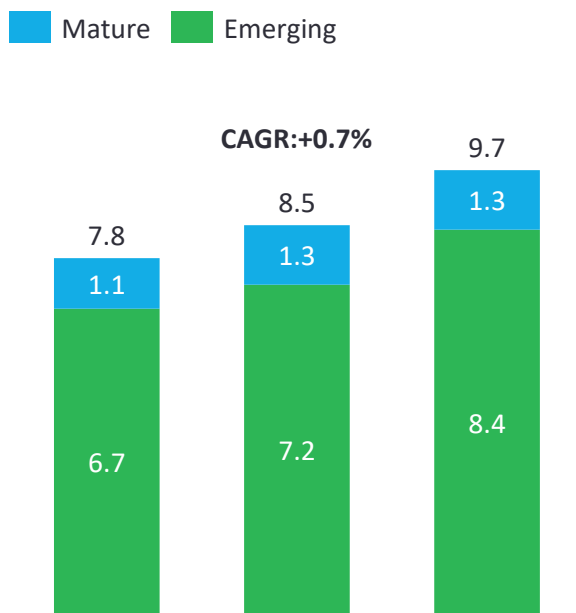
*"Tropical crops, livestock and fisheries are most affected by current climate change" - CGIAR*

\*Baseline assumes that current climate conditions, macroeconomic and agricultural policy trends continue without any adaptation or mitigation efforts

Note: FAO – Food Agriculture Organization, CGIAR - Consultative Group for International Agricultural Research; Source: FAO, CGIAR, EY Consumer Knowledge Analysis

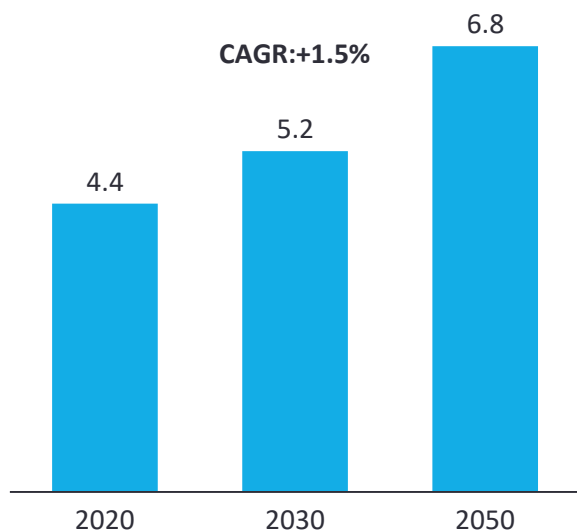
# Increasing population, rising food demand, urbanization and shrinking areas under cultivation will drive the need for precision farming solutions

## Global population (bn)



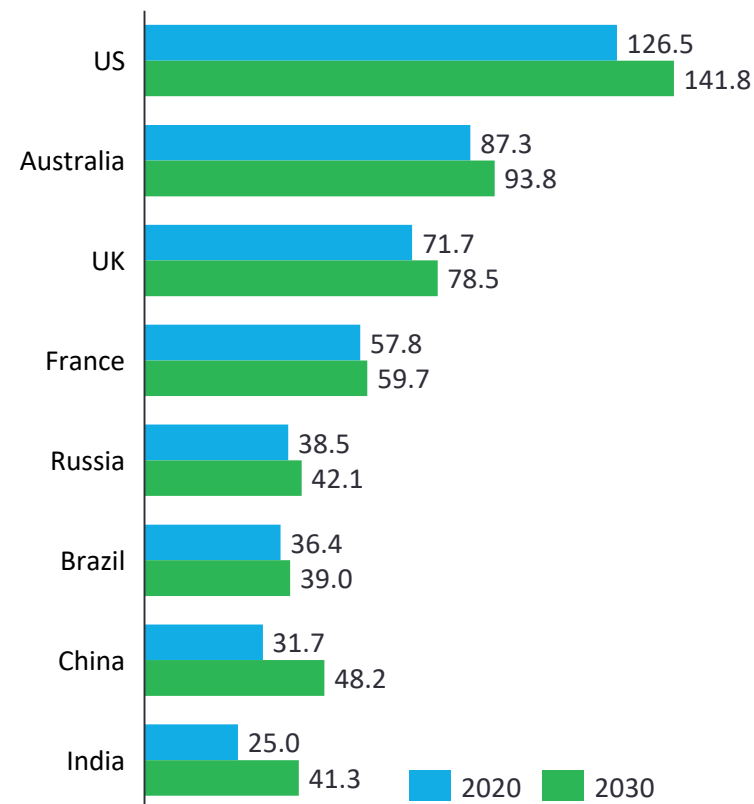
Population growth combined with a rising middle class is expected to drive a 70% increase in food demand between 2005 and 2050.

## Urban population (bn)



By 2050, India will add 416m urban dwellers leading to increased food demand and decreased farm labor.

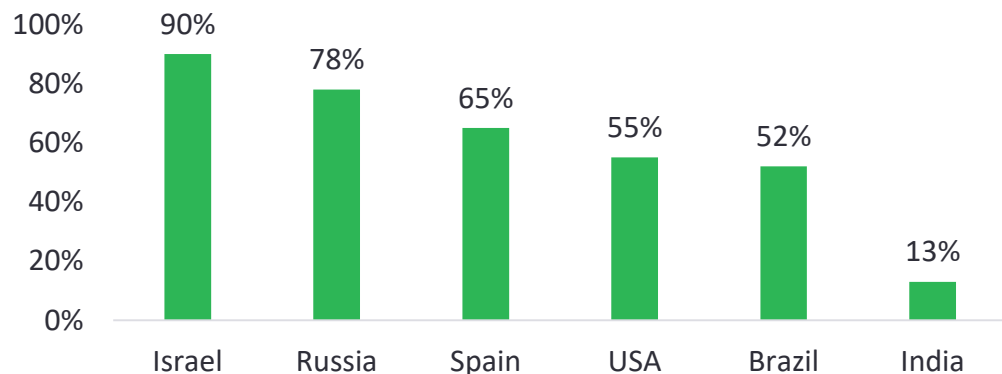
## Average household personal disposable income (Thousand US\$ PPP\*)



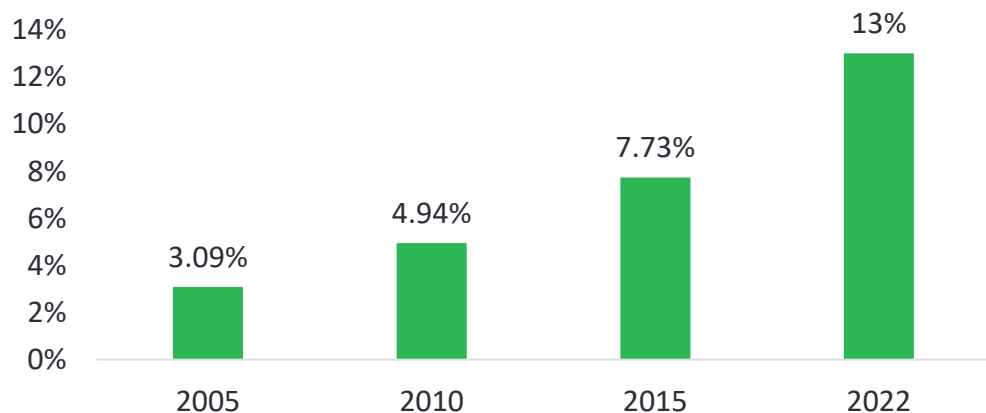
Note: \* Purchasing power parity, Constant 2015 prices; Source: United Nations Department of Economic and Social Affairs, IMF, Oxford Economics, EY Consumer Knowledge Analysis

# Micro Irrigation penetration growth rate is 12%

### Global MI Penetration %



### Indian MI Penetration %



Source: ICAR report

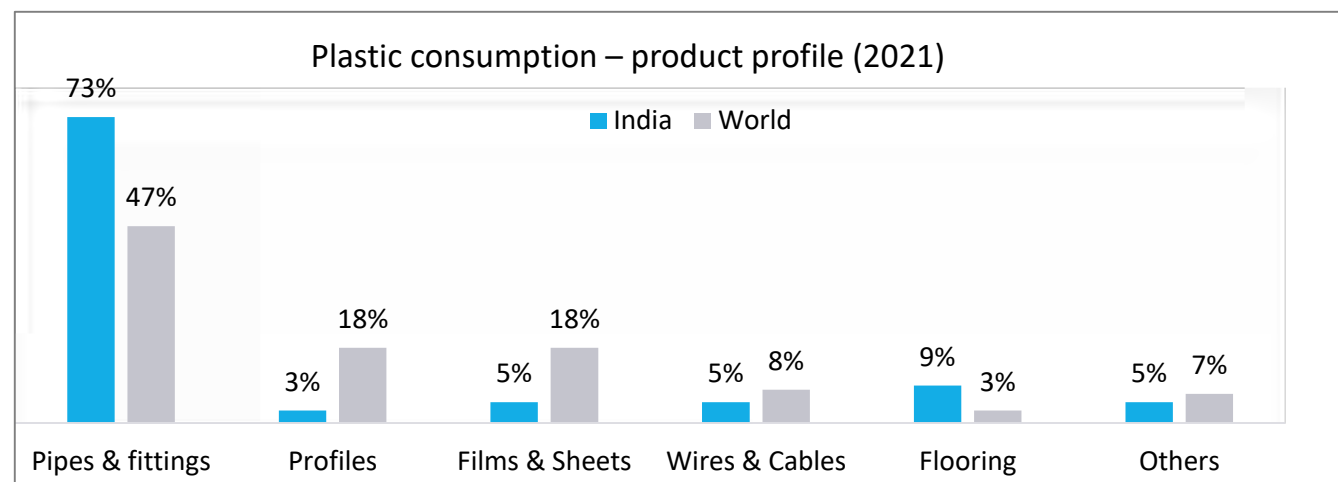
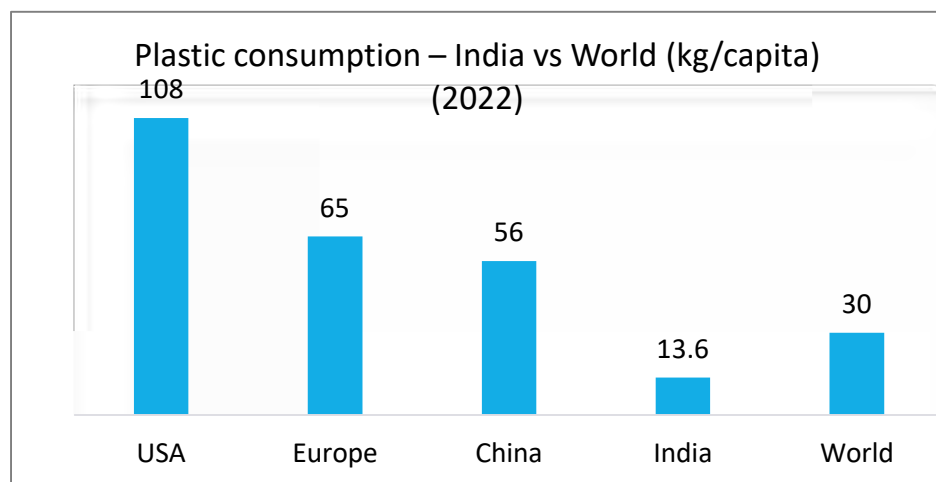
## Key factors that will drive MI adoption

	<p><b>Government programs and subsidies</b> in developing MIS market has led to an increased acceptance of the technology amongst the farmers</p>
	<p>Tangible benefits such as minimizing wastage of water and <b>increased yield</b> due to precision farming technique has played a key role in MIS penetration</p>
	<p>Growth of micro irrigation market will be a product of fast <b>technology adoption</b> by farmers as well as increased awareness</p>
	<p><b>Financial Inclusion</b> will act as a catalyst in contributing to higher micro irrigation penetration through credit availability</p>



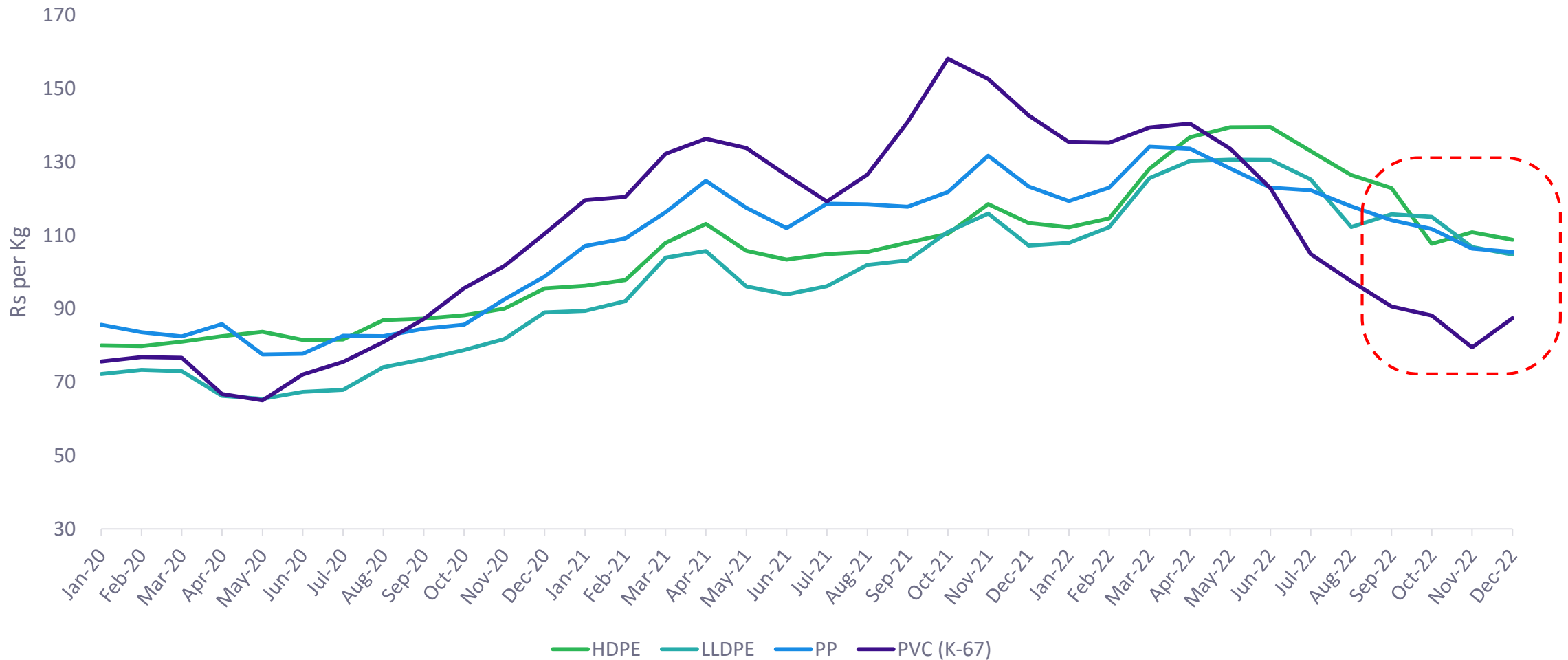
# India's plastic industry has been on an upward trajectory over the last 10 years

- Indian plastic market is vastly unexplored as evidenced by its low per capita plastic consumption of 13.6 kg as compared to the global average of 30 kg
- With highly skewed consumption pattern towards pipes and fittings, India's plastic consumption pattern is quite dissimilar to the world. This has translated in accelerated growth of plastic pipe manufacturers across the nation.
- On the back of a sustained rise in demand, the country's plastic pipe sector has shown resilience by recovering from COVID-19 induced slow down. It has grown at a 10% CAGR over FY16-FY21 and is pegged to clock a 11-12% CAGR over FY21-FY25.



Sources: *PlastIndia.org, Equirus plastic pipe sector report, EY analysis*

Raw material prices witnessed volatility due to supply chain crisis driven by Covid-19, regional conflicts and high inflation. However, the prices have shown correction over the last few months



Source: JISL Raw Material Procurement Data

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About the company



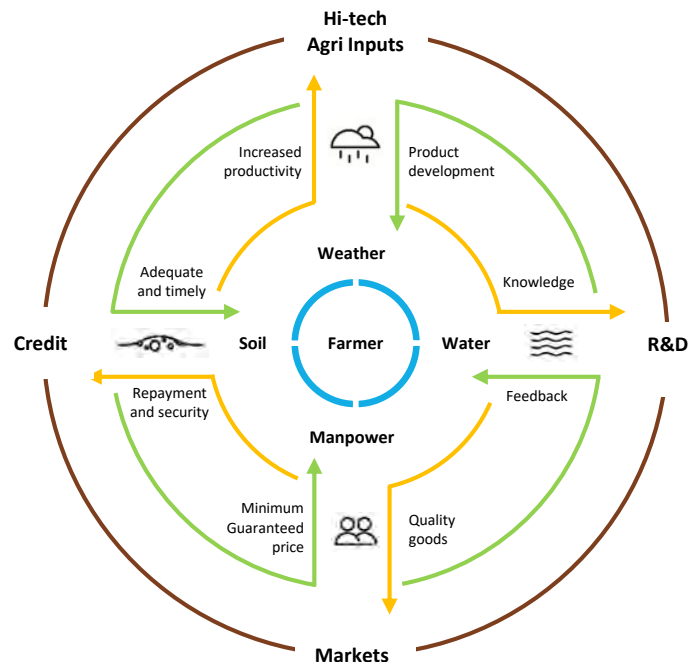
Well diversified business, technologically advanced product range and state of the art manufacturing facilities keeps us at the heart of customer needs

## Hi-Tech Agri

- ▶ Drip & Sprinkler Systems Precision Farming Advisory
- ▶ Wide distribution presence – over 11,000 dealers / distributors in India and internationally
- ▶ Manufacturing base in India, Israel, Turkey, USA, Latin America and Europe
- ▶ R&D base in India, Israel, USA

## Agro Processing

- ▶ Fruit pulps, concentrates, vegetable dehydrations, spice processing, etc.
- ▶ Globally No 1 in Mango processing and No. 3 in Onion dehydrations
- ▶ Catering to top global food companies
- ▶ Manufacturing in India, UK, USA and Turkey



## Plastic

- ▶ PVC Pipes, fittings, Polyethylene Pipes Turnkey Projects, PVC Sheets
- ▶ Catering to Agricultural, Industrial & Infrastructural customer base
- ▶ Manufacturing primarily in India
- ▶ Forayed into urban markets by introducing plumbing systems
- ▶ Plastic Sheet Business manufacturing to Ireland, closer to customer base

## Others

- ▶ Solar Thermal Products, Solar Photovoltaic Grid & Off-Grid Products
- ▶ Solar Power generation investments to reduce cost of power
- ▶ Agri R&D activities

# Environmental & Social Impact



Farmers Reached

10 MN+ Cumulative up to March 2022



Water Savings

~170 BCM Cumulative impact of our products up to March 2022



Energy Savings

~31,170 GWh Cumulative impact of our products up to March 2022



Livelihoods

10,000+ Global Headcount



Carbon Footprint

43,000+ t-CO<sub>2</sub> per year reduction achieved through adoption of renewable energy and afforestation projects



**Jain Focus:** Shareholders and Stakeholders

*“JISL has designed its agribusiness model on the concept of ‘Resources to Roots’, which addresses water, energy, and food security and helps smallholder farmers improve their income significantly. We have transformed the lives of millions of farmers with drip and sprinkler irrigation systems that save water, electricity, and fertilizers and increase the produce twofold or even threefold.”*

- Anil Jain, Joint MD



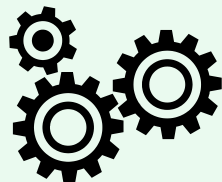


# Investment Merits





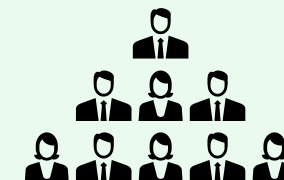
Well diversified across **126** countries, **20k+** SKUs and **6** channels



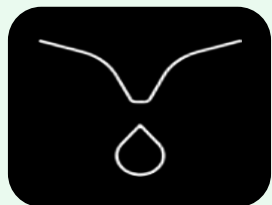
Uniquely positioned to provide **end-to-end solutions** to the farmers from technologically advanced inputs to post-harvest procurement



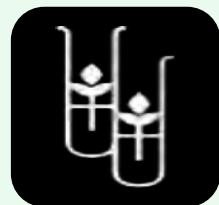
Ready-to-use domestic manufacturing capacity to accelerate **growth by 3x** without additional capex



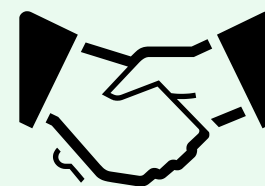
**Professionally managed** value driven organization



**#1** Micro Irrigation company in India and the USA



**#1** In Tissue Culture production of banana and pomegranate globally



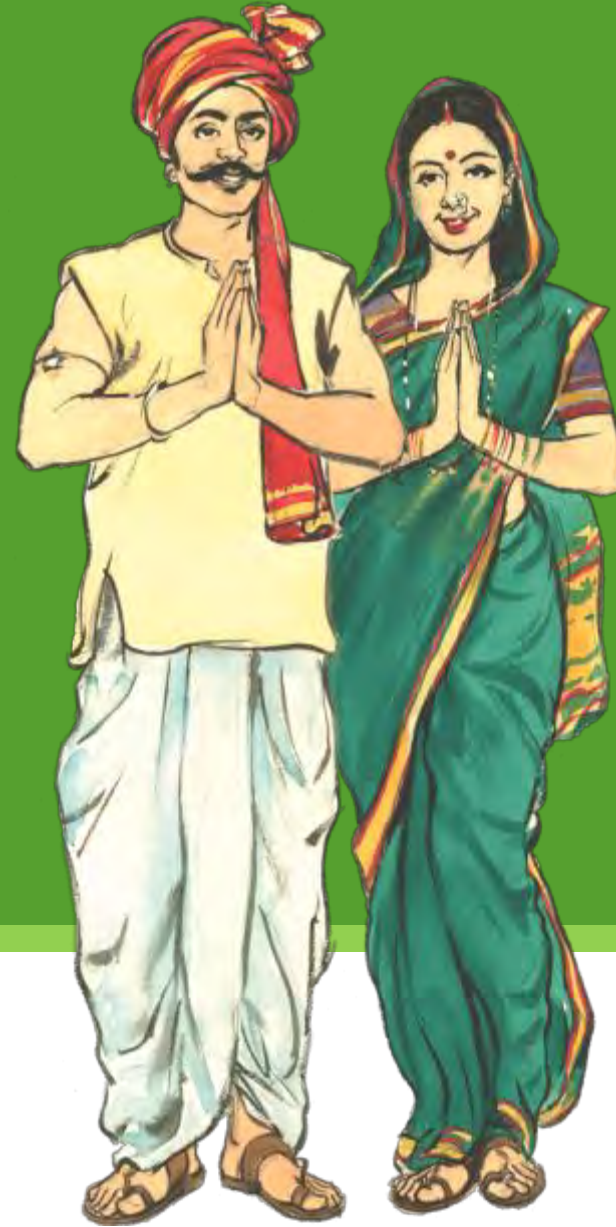
**11,000+** Dealers and distributors globally



**Sustainability** focused operations, well ahead of ESG adoption curve

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You may send your queries to

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