

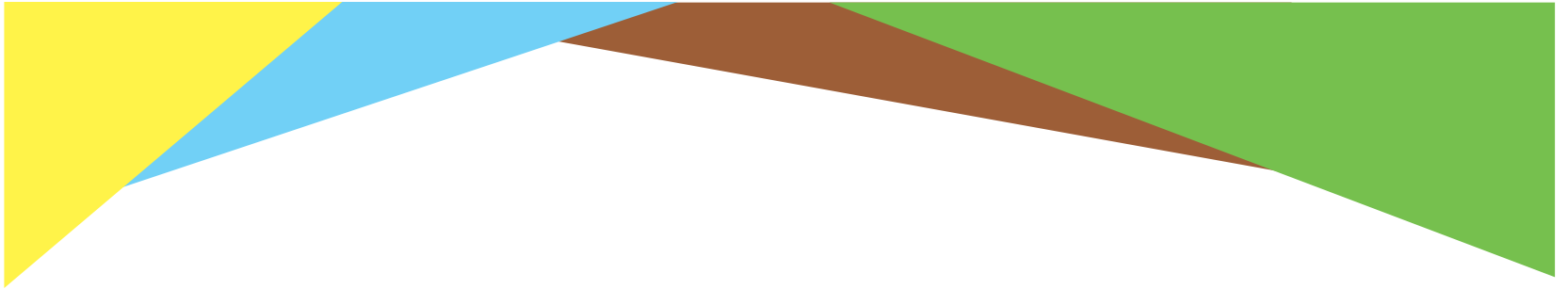


## Investor Communication

Q4 & FY2016



In the first ever  
Fortune 'Change The  
World' list of 2015,  
Jain Irrigation ranks  
7<sup>th</sup> among 51  
companies of the  
world



Jain Irrigation Systems Ltd.

## **PREFACE**

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## JISL Value Proposition

### Large domestic and global growth opportunities

- Increasing MIS penetration a central and state government priority. Addressing climate change
- Food business 10 year CAGR of 26% expect momentum to continue
- Pipes business strongly correlated with Indian infrastructure spend

### Best-in class, fully integrated, global operations

- Cutting edge technology with focus on R&D

### Leadership across key businesses

- MIS (#1 in India, #2 Globally), Piping (#1 in India), Mango Processing (#1 Globally), Onion Dehydration (#2 Globally), Banana tissue Culture (#1 Globally)
- Partner of choice for leading FMCG Companies, for government and large infrastructure projects

### Building multiple growth engines outside MIS and Piping

- Solar Pumps a new market expected to grow double digits over next decade
- Foray into food retail offers significant scope to leverage back-end supply chain in food

### Rapidly improving financial metrics

- Reduced net debt, improved credit ratios, reduction in interest costs, focus on higher cash flow

### Seasoned Management with established track record

- Experienced leadership over decades and across geographies and products

### Undisputed brand equity with Farmers; Unrivaled rural knowledge base

- Offering full range of products and solutions addressing entire farming ecosystem

## Key Developments

- **As announced in November 2015, the Company completed the following equity raise in the month of March 2016:**
  - **Issue of 14.1 Million Equity Warrants in JISL at a price of INR 80 per share to Promoter Group. The subscription proceeds of this issue, amounting to INR 1,128 Million were received in full by JISL on 24th March, 2016;**
  - **Issue of 36.2 Million Compulsorily Convertible Debentures in JISL at a price of INR 80 per share subscribed by Mandala (Investor). The subscription proceeds amounting to INR 2,896 Million were received in full by JISL on 11th March, 2016; and**
  - **Issue of Equity Shares and Compulsorily Convertible Debentures in JFFFL subscribed by Mandala in an amount of INR 4,022 Million on 30th March 2016 at enterprise value of INR 2,500 Cr to INR 3,000 Cr for Food Division**
- **Consolidated net debt reduced by INR 7,979 Mn and standalone net debt reduced by INR 5,782 Mn from December 31, 2015 levels (treating Compulsorily Convertible Debentures raised recently as equity)**
- **Post equity raise, consolidated net D/E improved to 1.2 as at March 31, 2016 from 2.0 as at December 31, 2015. Standalone net D/E at 0.96**
- **Food Division transferred to Jain Farm Fresh Foods Limited (“JFFFL”) with effect from March 31, 2016**
- **Order book status: INR 11,940 Mn. Pipeline of large projects in MIS/Piping/Solar**
- **Dividend declared @ 25%**

## Objectives of Financial Strategy

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### Objectives

### Strategy

#### Interest Costs

*Post equity raise, consolidated net D/E improved to 1.2 from 2.04 levels as at December 31, 2015. Interest burden to reduce*

#### Working Capital Cycle

*Change in MIS business model, Support from NBFC, Internal accruals*

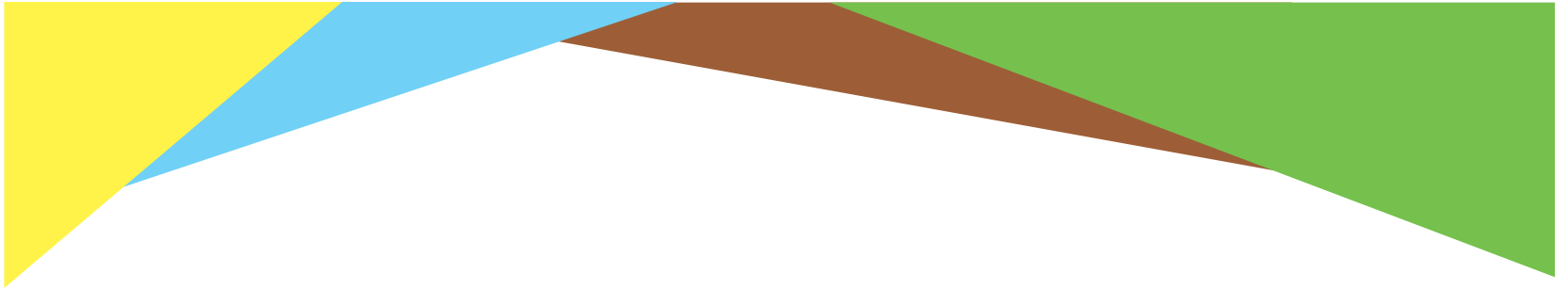
#### Growth

*Firing on all cylinders; Enhanced outlook in MIS, Solar, Piping & Food*

#### Free Cash Flow

*Higher Earnings, reduced interest cost, improved W/C to drive FCF*

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Jain Irrigation Systems Ltd.

# **FINANCIAL DISCUSSION**



## Consolidated Performance Overview :

### ▪ **FY16**

- Overall revenue improved by 2.2%. EBIDTA grew by 3.2%.
- MIS de-grew by 1.7%, however Food Processing and Pipes business grew by 6.4% and 9.8%, respectively.
- Within the other business, sheet business increased by 10.3%, Solar business increased by 6.5%
- Contribution of overseas market in consolidated revenue is at 46%.
- Revenue from overseas markets increased by 3.7%.
- Net profit is at INR 882.7 Mn as compared to profit of INR 553.9 Mn for corresponding FY2015, registering growth of 59.4%

### ▪ **4QFY16**

- Overall revenue de-grew by 1.8%. EBIDTA expanded by 1.7%.
- MIS de-grew by 0.8%, Food Processing grew by 1.9%, Pipes business de-grew by 7.0%, other business remained subdued in this quarter
- Contribution of overseas markets in consolidated revenue is at 43%.
- Revenue from overseas markets grew by 6.6%.
- Net profit is INR 897.8 Mn as compared to net profit of INR 985.3 Mn for corresponding quarter last year.

## Standalone Performance Overview : FY16

- Amid the sluggish agro environment, standalone revenue grew marginally by 0.2% led by marginal growth in Domestic Business of 1.0%. Overall exports de-grew by 2.9% during this period as compared with same period last year.
- Overall Micro Irrigation Systems (MIS) business de-grew by 5.1% primarily on account of negative performance in projects and export side. However, retail micro irrigation business grew by 6% even in the challenging environment.
- Pipe Business has shown progress of 9.9% increase as compared to FY15. This growth is lead by PE Pipe division which saw 28.0% growth on account of continued large institutional sales.
- Revenue from the Food Division registered flat growth of 0.2%. Within this, Fruit Processing grew by 0.3%, Vegetable Dehydration had flat growth.
- Amongst the remaining businesses, Solar business grew by 6.4%, Tissue Culture grew by 5.7% and other business including sheet remained subdued.
- Net profit for FY16 is INR 712.5 Mn against net profit of INR 493.9 Mn for FY15.



## Standalone Performance Overview : 4QFY16

- Standalone revenue de-grew by 8.1% as compared with same period last year. Exports revenue continued to show negative growth and de-grew by 10.7%. Domestic business de-grew by 7.4%
- Overall Micro Irrigation Systems (MIS) de-grew by 10.0% in this quarter on Y-o-Y basis within which domestic business de-grew by 12.5% and export increased by 19.3%. Within the domestic business retail business de-grew by 1.8% and project business de-grew by 27.0%. Low growth in retail is on account of lower demand due drought in major markets as compared 4QFY15. Negative growth in projects is on account of delayed take off of projects on hand while new projects are still under negotiations
- Pipe Business de-grew by 6.7% as compared to same quarter in the last year on account lower offtake for PVC and relatively lower sales by 7.8% by PE Pipe division which has otherwise demonstrated high double digit growth on a financial year basis
- Overall Food Division de-grew by 5.3% as compared with 4QFY15. Within this Onion dehydration business grew by 3.4%, however, fruit processing business de-grew by 10.0% on account of lower offtake by the customers. Onion business impacted by raw material prices
- Amongst the remaining businesses, Solar business grew by 48.2%, tissue Culture de-grew by 61.5 % and other business remained subdued during the quarter
- Net profit for the quarter is INR 643.8 Mn against net profit of INR 825.6 Mn in the same quarter last year

## Consolidated Financial Performance

Consolidated Rs. mn	FY16	FY15
Revenue <sup>^</sup>	64,559	63,146
EBIDTA	8,890	8,616
Reported PAT	883	554
Cash PAT*	3,518	2,994

<sup>^</sup> including operating income and excise duty

\*PAT + Depreciation

Consolidated Rs. mn	4QFY16	4QFY15
Revenue <sup>^</sup>	20,655	21,041
EBIDTA	3,191	3,138
Reported PAT	898	985
Cash PAT*	1,612	1,594

<sup>^</sup> including operating income and excise duty

\*PAT + Depreciation

### Highlights

- Revenue increased by 2.2%
- EBIDTA for FY16 is at 13.8 % as against 13.6 % in FY15
- PAT has been increased by Rs. 328.8 Mn i.e., by 59.4%

### Highlights

- Revenue decreased by 1.8 %
- EBIDTA for 4QFY16 is at 15.4 % as against 14.9 % in 4QFY15
- Cash PAT has been increased by INR 18.2 Mn to INR 1,612 Mn

## Standalone Financial Performance

Standalone Rs. mn	FY16	FY15
Revenue <sup>^</sup>	44,065	43,984
EBIDTA	7,165	6,954
Reported PAT	713	494
Cash PAT*	2,611	2,279

<sup>^</sup> including operating income and excise duty

\*PAT + Depreciation

Standalone Rs. mn	4QFY16	4QFY15
Revenue <sup>^</sup>	14,800	16,101
EBIDTA	2,620	2,628
Reported PAT	644	826
Cash PAT*	1,166	1,270

<sup>^</sup> including operating income and excise duty

\*PAT + Depreciation

### Highlights

- Revenue marginally grew by 0.2%
- EBIDTA for FY16 is at 16.3% as against 15.8% in FY15
- PAT increased by INR 218.6 Mn

### Highlights

- Revenue decreased by 8.1 %
- EBIDTA for 4QFY16 is at 17.7 % as against 16.3 % in 4QFY15
- PAT is reduced to INR 643.8 Mn as compared to INR 825.6 Mn in the 4QFY15

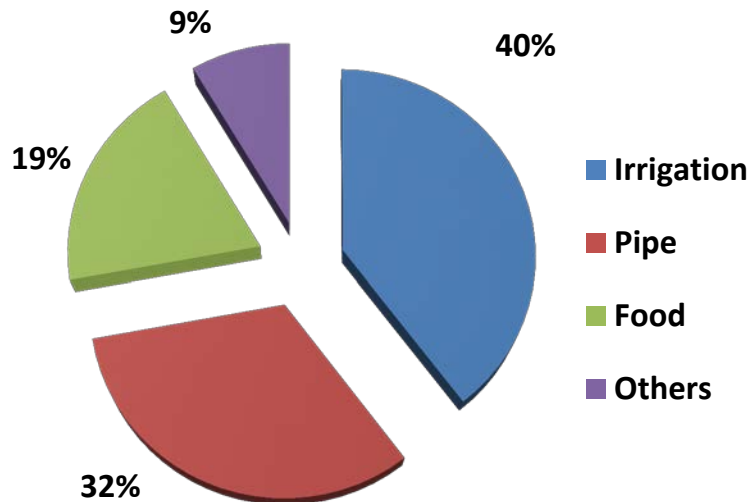
## Overview - Consolidated Revenue\*: FY16

Geography	Mix %	YoYG
India	54%	1.0%
Rest of World#	46%	3.7%
Total	100%	2.2%

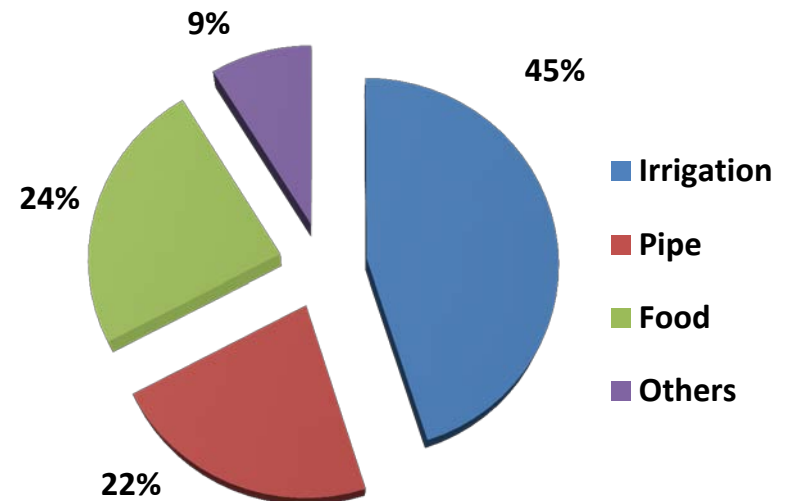
\* Including operating income & excise duty

# Including exports from India

**India Standalone Revenue Contribution**



**Consolidated Revenue Contribution**



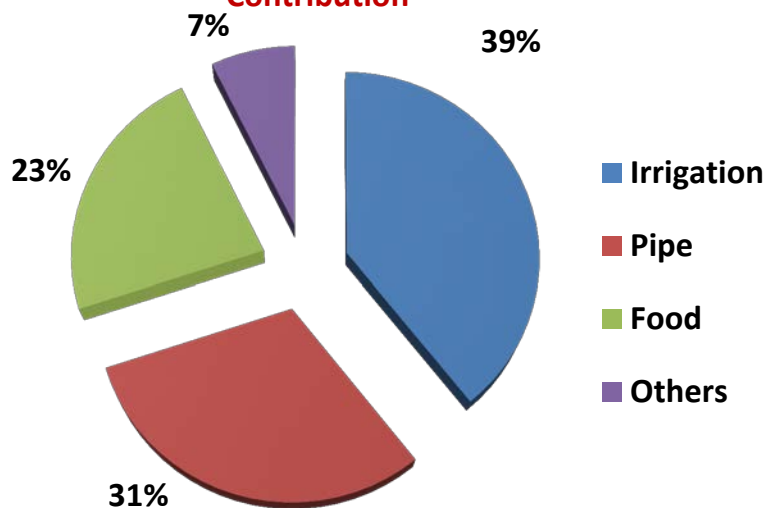
## Overview - Consolidated Revenue\*: 4QFY16

Geography	Mix %	YoYG
India	57%	-7.4%
Rest of World#	43%	6.6%
Total	100%	-1.8%

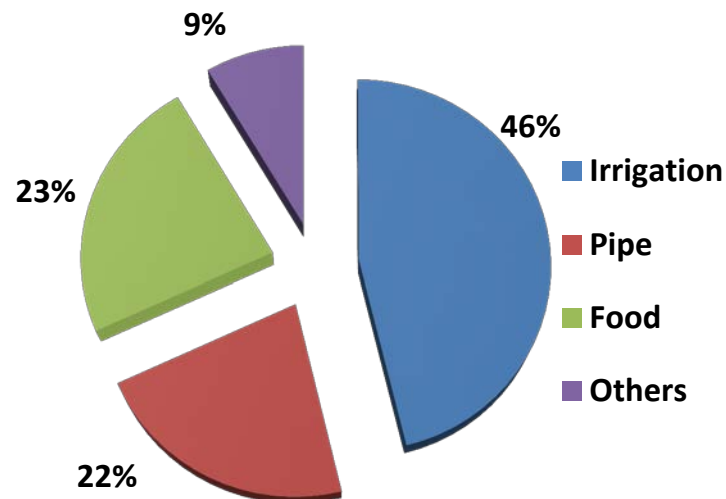
\*Including operating income & excise duty

# Including exports from India

**India Standalone Revenue Contribution**



**Consolidated Revenue Contribution**



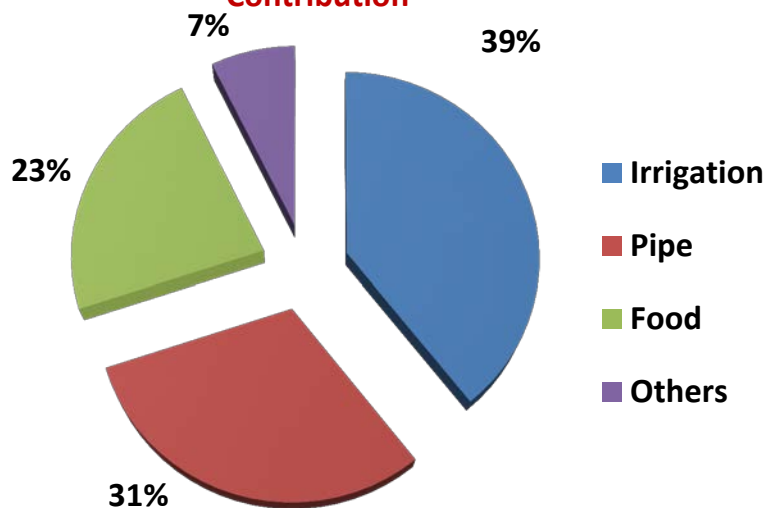
## Overview - Consolidated Revenue\*: 4QFY16

Geography	Mix %	YoYG
India	57%	-7.4%
Rest of World#	43%	6.6%
Total	100%	-1.8%

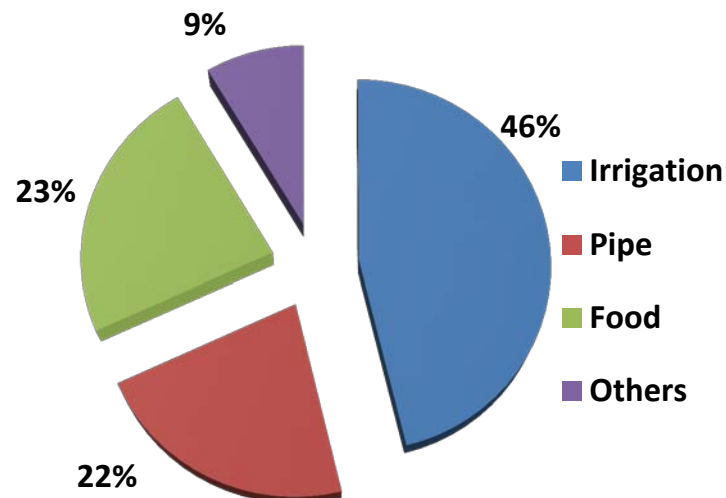
\*Including operating income & excise duty

# Including exports from India

**India Standalone Revenue Contribution**



**Consolidated Revenue Contribution**

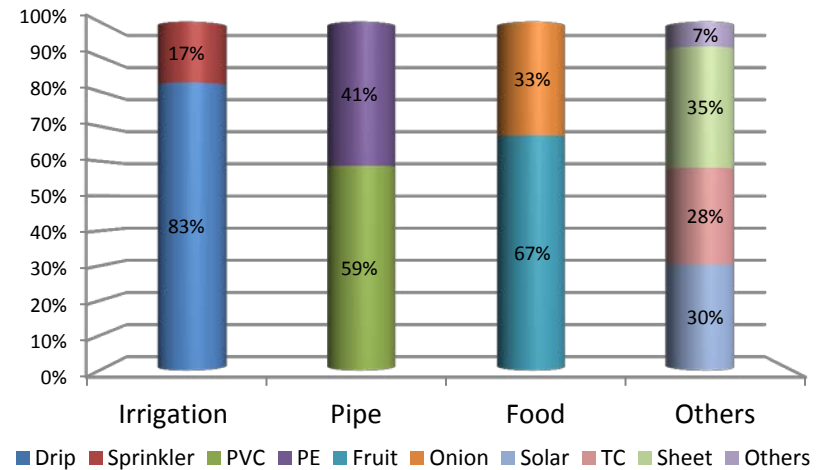


## Overview - Standalone Revenue\*: FY16

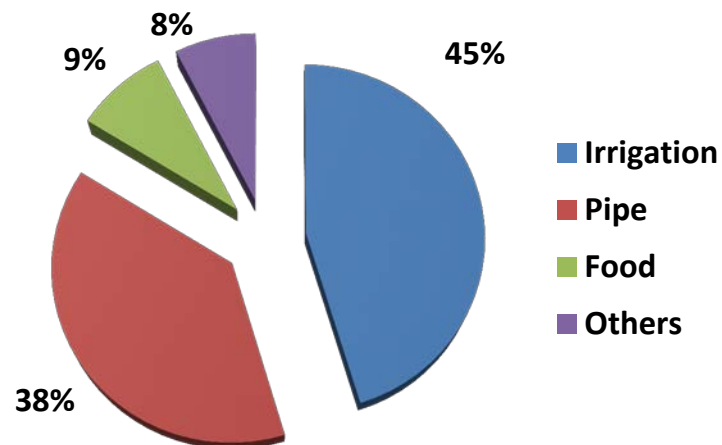
Geography	Mix %	YoYG
Domestic	80%	1.0%
Export	20%	-2.9%
Total	100%	0.2%

\* Including operating income & excise duty

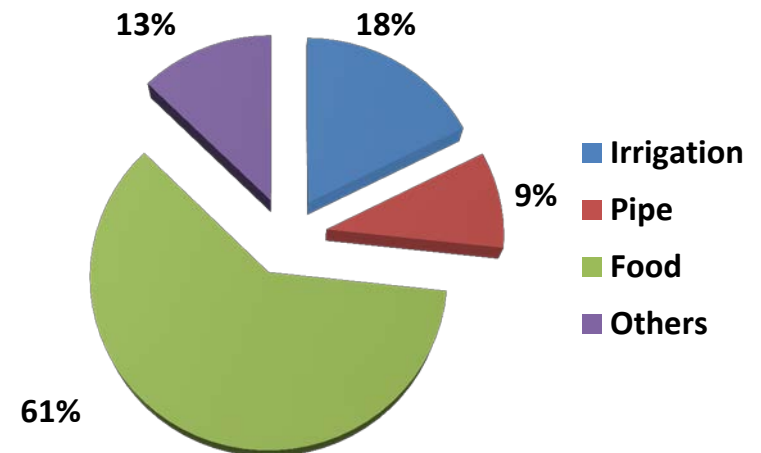
### Segment Revenue Contribution



### Domestic Revenue Contribution



### Export Revenue Contribution

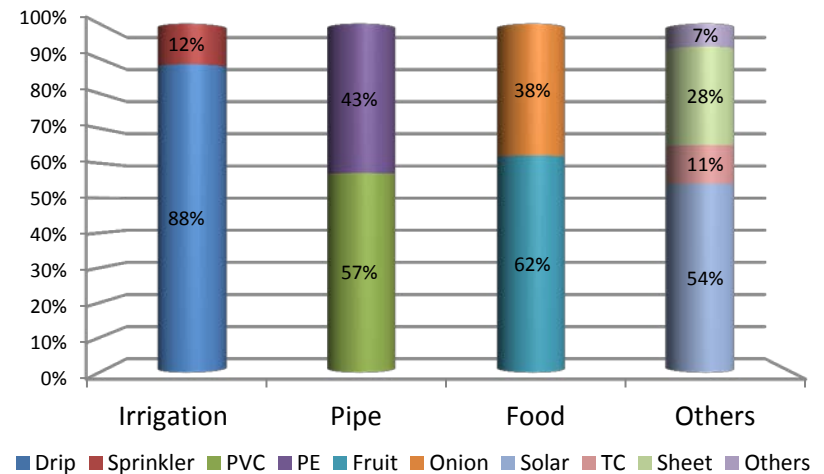


# Overview - Standalone Revenue\*: 4QFY16

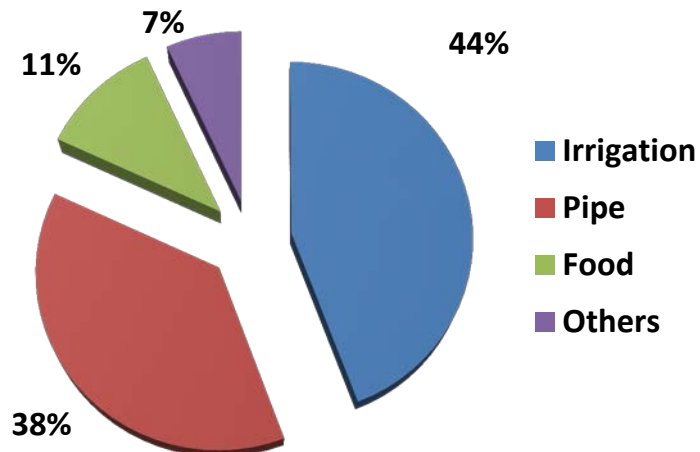
Geography	Mix %	YoYG
Domestic	79%	-7.4%
Export	21%	-10.7%
Total	100%	-8.1%

\* Including operating income & excise duty

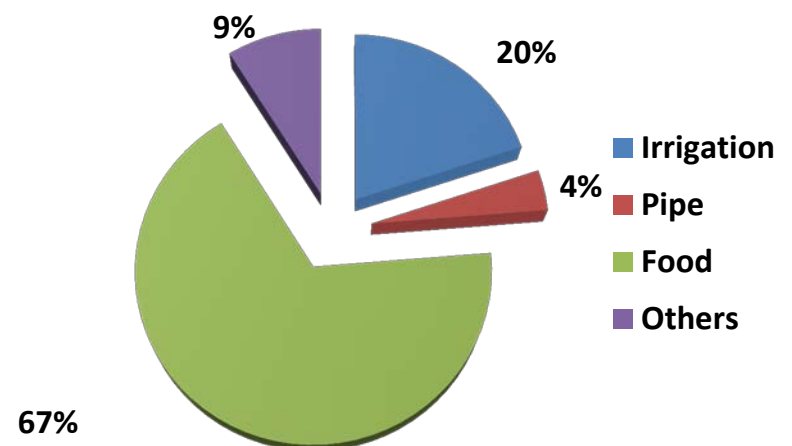
## Segment Revenue Contribution



## Domestic Revenue Contribution



## Export Revenue Contribution





## Net Debt Position

INR Bn.	Mar 31, 2016	Dec 31, 2015	Change (QoQ)	Mar 31, 2015
<b>Standalone (Total)</b>	<b>26.80</b>	<b>32.58</b>	<b>(5.78)</b>	<b>28.58</b>
Long Term	14.79	15.84	(1.05)	16.05
Short Tem	12.01	16.74	(4.73)	12.53
<b>Consolidated (Total)</b>	<b>35.59</b>	<b>43.57</b>	<b>(7.98)</b>	<b>39.27</b>
Long Term	18.53	19.70	(1.16)	19.91
Short Tem	17.05	23.87	(6.82)	19.36

- Cash in hand and in current investments has been netted from short term loans
- Above is after treating CCDs issued to Mandala Capital of INR 2,896 million in Standalone & INR 4,505 million in Consolidated as equity
- Forex MTM Forex loss during 4QFY16 Standalone ~INR 28 million and Consolidated ~INR 47 million included above
- 39% of net debt (standalone) & 59% of net debt (consolidated) is in a foreign currency as of March 31, 2016

### Standalone Long Term Foreign Currency Loan (FCL) Repayment Schedule (excluding FCCB of US\$ 50 million maturing in Sept 2017 and Apr 2018)

Year	FY 17	FY 18	FY 19	FY 20-23	Total
Eq. US Dollar Mn.	28.66	26.25	22.38	29.50	106.78

NOTE:

- The Company has hedged USD 26.65 Mn of its long term foreign currency loans
- In addition, the Company has natural hedge for remainder amount by way of net foreign exchange earning from its exports

## Working Capital Analysis

### *Standalone*

Days	DSO^ Mar 31, 2016			DSO^ Dec 31, 2015			DSO^ Mar 31, 2015		
	Inventory	AR(gross)	Net*	Inventory	AR(gross)	Net*	Inventory	AR(gross)	Net*
MIS	83	219	227	95	188	185	85	188	217
Piping	40	103	63	41	72	13	44	90	(1)
Food	182	133	229	234	126	279	157	133	197
Others	156	229	316	180	194	296	192	185	257
<b>Total</b>	<b>94</b>	<b>165</b>	<b>181</b>	<b>111</b>	<b>139</b>	<b>156</b>	<b>95</b>	<b>147</b>	<b>151</b>

### *Consolidated*

Days	DSO^ Mar 31, 2016			DSO^ Dec 31, 2015			DSO^ Mar 31, 2015		
	Inventory	AR(gross)	Net*	Inventory	AR(gross)	Net*	Inventory	AR(gross)	Net*
<b>Total</b>	<b>107</b>	<b>127</b>	<b>162</b>	<b>121</b>	<b>102</b>	<b>143</b>	<b>107</b>	<b>115</b>	<b>144</b>

<sup>^</sup> Based on last 4 quarter revenue

\* Net Working Capital = Inventory + Accounts Receivable – Accounts Payable – Bills Discounted

## MIS Analysis

### *MIS –Revenues*

INR Mn	Q4 FY16	Q4 FY15	Change YoY%	FY16	FY15	Change YoY%
Retail & Institution	3,365	3,427	-1.8%	12,055	11,368	6.0%
Project	1,846	2,529	-27.0%	3,827	5,380	-28.9%
<b>Domestic Total</b>	<b>5,211</b>	<b>5,956</b>	<b>-12.5%</b>	<b>15,882</b>	<b>16,748</b>	<b>-5.2%</b>
Export	605	507	19.3%	1,588	1,665	-4.6%
<b>Total</b>	<b>5,816</b>	<b>6,463</b>	<b>-10.0%</b>	<b>17,470</b>	<b>18,412</b>	<b>-5.1%</b>

### *MIS -Receivables*

INR Mn	Mar 31, 2014	Mar 31, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Change QoQ
Retail & Institution	3,531	2,817	2,392	2,269	2,443	174
Project	3,433	2,967	3,109	2,941	3,233	292
Govt. Subsidy	3,923	2,656	2,920	3,074	3,416	342
Export	988	837	555	857	1,217	360
<b>Total</b>	<b>11,875</b>	<b>9,277</b>	<b>8,977</b>	<b>9,141</b>	<b>10,309</b>	<b>1,168</b>

## News / Update

- A research project in University of Nebraska (USA) is named after Bhavarlal Jain at the Water for Food Global Conference  
[http://www.jains.com/Company/news/A\\_research\\_project\\_in\\_University\\_of\\_NebraskaUSA\\_is\\_named\\_after\\_Bhavarlal\\_Jain.htm](http://www.jains.com/Company/news/A_research_project_in_University_of_NebraskaUSA_is_named_after_Bhavarlal_Jain.htm)
- The University Of Nebraska and Robert B. Daugherty Water for Food Institute Honor the Founder Of Jain Irrigation Systems  
[http://www.jains.com/Company/news/The\\_University\\_Of\\_Nebraska\\_and\\_Robert\\_B\\_Daugherty\\_Water\\_for\\_Food\\_Institute\\_Honor\\_the\\_Founder\\_Of\\_Jain\\_Irrigation\\_Systems.htm](http://www.jains.com/Company/news/The_University_Of_Nebraska_and_Robert_B_Daugherty_Water_for_Food_Institute_Honor_the_Founder_Of_Jain_Irrigation_Systems.htm)
- Jain Irrigation Systems Ltd. and Tata Trusts signed MoU  
[http://www.jains.com/Company/news/Jain\\_Irrigation\\_Systems\\_Ltd\\_and\\_Tata\\_Trusts\\_signed\\_Mou.htm](http://www.jains.com/Company/news/Jain_Irrigation_Systems_Ltd_and_Tata_Trusts_signed_Mou.htm)
- Juice manufacturing facility in Morshi, orange 'Unnati' to generate employment  
[http://www.jains.com/Company/news/Juice\\_manufacturing\\_facility\\_in\\_Morshi\\_orange\\_unnati\\_to\\_generate\\_employment.htm](http://www.jains.com/Company/news/Juice_manufacturing_facility_in_Morshi_orange_unnati_to_generate_employment.htm)

## Disclaimer

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**THANK YOU**

