

Investor Communication : 3QFY15 & 9MFY15

Jain Irrigation Systems Ltd.

Standalone Performance Overview : 3QFY15

- Overall revenue decreased by 10.7%. Revenue in Micro Irrigation (MIS), PVC Pipes, PE Pipes, PVC Sheets, Solar Products & Tissue Culture plants declined by 10.5%,11.1%,29.4%,39.2%,38.2% & 11.5% respectively on yoy basis. However, Onion Dehydration & Fruit Processing has grown significantly by 58.3% & 24.6% on yoy basis
- Domestic business declined by 12.7 % and export business declined marginally by 3.4% in the current quarter
- During current quarter, MIS domestic business declined by 8.0 % due to muted demand on account of lower area under cultivation, untimely rains in Maharashtra & Other States (*Drought affected almost 90 lakh farmers in Maharashtra*), pressure on agri commodity prices, etc. However States like Gujarat, Karnataka, Andhra Pradesh and North & NE has shown positive growth. Revenue also partly impacted due to polymer price deflation (particularly in Piping Segment)
- Overall Exports from India declined marginally by 3.4 % in current quarter due to lower export of MIS to Africa and lower export of PVC Sheets because of shifting of two production lines from India to Europe. However Exports of PVC Pipes, Fruit Processing & Onion Dehydration has shown positive growth
- Standalone EBIDTA for the current quarter stood at Rs. 1,363 mn as against Rs. 1,551 mn in corresponding quarter of previous year. Decline in EBIDTA mainly contributed by lower MIS revenue and inventory value write down resulting from sudden fall in polymers prices in piping division. Under absorption of fixed overheads due to lower scale of operation has also impacted margin
- Reported PAT for the quarter is Net Loss of Rs. 299 mn against net profit of Rs. 338 mn in the corresponding quarter of previous year. PAT has been impacted negatively by Rs.73 mn due to higher charge of depreciation as per Companies Act 2013 and by Rs.382 mn due to exceptional items incl. foreign exchange MTM impact
- Overall receivables level remained around 137 days, same as of Sep-14 . However MIS receivables have further reduced by 14 days to 197 days from 211 days in the current quarter on qoq basis
- Net Debt as of Dec-14 has remained around same level compared to Sep-14 (Rs.31.7 bn)

Standalone Performance Overview : 9MFY15

- Overall revenue decreased marginally by 2.8% on yoy basis
- Micro Irrigation (MIS) grown positively by 7.9%, Onion Dehydration by 39.3%, Fruit Processing by 19.4% & Tissue Culture by 3.4%. PVC Pipes declined by 10.4 %, PE Pipes declined by 36.5 %, PVC Sheets declined by 22.9% & Solar Products declined by 32.8%
- Domestic business has grown by 0.7 % but export has declined by 14.0% largely because of lower exports of MIS & PVC Sheet products
- Domestic Micro Irrigation (MIS) business grew significantly by 24.3 % on yoy basis
- Exports Business increased by 18.0% in PVC pipes, 23.4% in PE Pipes, 11.8% in Fruit Processing & 29.8% in Onion Dehydration while Exports of MIS products has declined by 51.7% (previous year revenue includes large order from Africa for about Rs.1.3 bn) and decline of 28.7% in PVC sheets (due to shifting of two production lines to Europe)
- Overall EBIDTA at Rs 4,326 mn, declined from Rs. 4,685 mn in corresponding 9MFY14, mainly due to lower revenue, volatile polymer prices & issues of pass-thru to customers, under absorption of fixed overheads due to lower scale of operation etc.
- Reported PAT for 9MFY15 is Net Loss of Rs. 332 mn against net loss of Rs. 777 mn in corresponding 9MFY14. PAT has been impacted negatively by Rs.256 mn due to higher charge of depreciation as per Companies Act 2013 & by Rs.545 mn due to exceptional items incl. foreign exchange MTM impact

Consolidated Performance Overview :

3QFY15:

- Overall revenue decreased by 5.8%. Positive Growth in Fruit Processing at 24.5% & Onion Dehydration at 7.5%. However, MIS, Pipes, PVC Sheets and Solar Products has declined by 7.3%, 19.1%, 1.6% and 38.2% respectively
- Contribution of overseas market in consolidated revenue is at 48% following historical trend. Overseas revenue grown by 2.7 %
- Overall EBIDTA margin at 12.7% for current quarter as against 13.0% for corresponding quarter
- PAT has been impacted negatively by Rs.73 mn due to higher charge of depreciation and by Rs.458 mn due to exceptional items during the quarter incl. foreign exchange MTM impact

9MFY15:

- Overall revenue growth at 2.4%. Positive Growth in Micro Irrigation at 9.0%, Onion Dehydration at 19.6%, Fruit Processing at 17.4 %. However, Pipes, PVC Sheets and Solar Products has declined by 20.4%, 2.9% and 32.8% respectively
- Contribution of overseas market in consolidated revenue is at 48% following historical trend. Overseas revenue grown by 4.3%
- Overall EBIDTA margin at 13.0% as against 13.8 % for corresponding 9MFY14
- PAT has been impacted negatively by Rs.256 mn due to higher charge of depreciation and by Rs.712 mn due to exceptional items during the quarter incl. foreign exchange MTM impact

Financial Performance : 3QFY15

Standalone Rs. mn	3QFY15	3QFY14
Revenue^	8,874	9,935
EBIDTA	1,363	1,551
Reported PAT	(299)	338
Cash PAT*	138	691

^ including operating income and excise duty

**including Depreciation*

Consolidated Rs. mn	3QFY15	3QFY14
Revenue^	13,235	14,056
EBIDTA	1,681	1,826
Reported PAT	(397)	259
Cash PAT*	209	772

^ including operating income and excise duty

**including Depreciation*

Highlights

- Revenue decreased by 10.7%
- EBIDTA for 3QFY15 is at 15.4% as against 15.6% in 3QFY14. EBIDTA has impacted by 20 basis points due to lower fixed overhead absorption & inventory losses from falling polymer prices
- PAT has been impacted negatively by Rs.73 mn due to higher charge of depreciation and by Rs.382 mn due to exceptional items during the quarter incl. foreign exchange MTM impact

Highlights

- Revenue decreased by 5.8%
- EBIDTA for 3QFY15 is at 12.7 % as against 13.0% in 3QFY14. EBIDTA has impacted by 30 basis points due to lower fixed overhead absorption & inventory losses from falling polymer prices
- PAT has been impacted negatively by Rs.73 mn due to higher charge of depreciation and by Rs.458 mn due to exceptional items during the quarter incl. foreign exchange MTM impact

Financial Performance : 9MFY15

Standalone Rs. mn	9MFY15	9MFY14
Revenue [^]	27,883	28,691
EBIDTA	4,326	4,685
Reported PAT	(332)	(777)
Cash PAT*	1,009	255

[^] including operating income and excise duty

*including Depreciation

Highlights

- Revenue decreased by 2.8%
- EBIDTA for 9MFY15 is at 15.5% as against 16.3% in 9MFY14. EBIDTA has impacted by 80 basis points due to lower fixed overhead absorption & inventory losses from falling polymer prices
- Cash PAT showing improvement

Consolidated Rs. mn	9MFY15	9MFY14
Revenue [^]	42,105	41,123
EBIDTA	5,478	5,683
Reported PAT	(431)	(1,152)
Cash PAT*	1,401	337

[^] including operating income and excise duty

*including Depreciation

Highlights

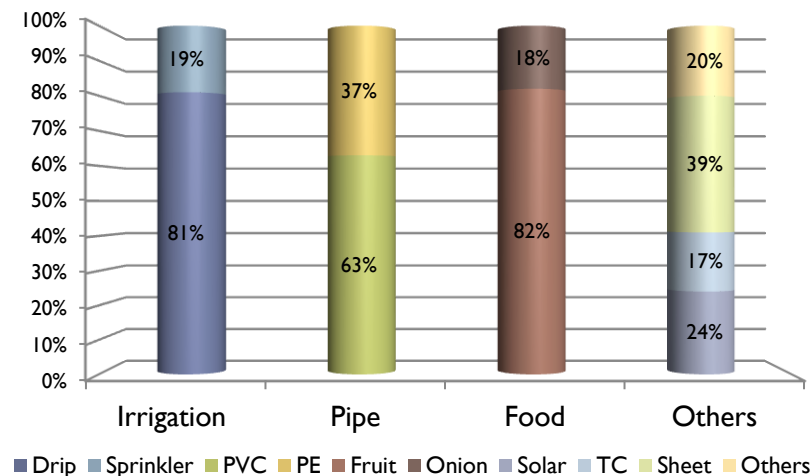
- Revenue increased by 2.4%
- EBIDTA for 9MFY15 is at 13.0 % as against 13.8 % in 9MFY14. EBIDTA has impacted by 80 basis points due to lower fixed overhead absorption & inventory losses from falling polymer prices
- Cash PAT showing good improvement.

Overview - Standalone Revenue*: 3QFY15

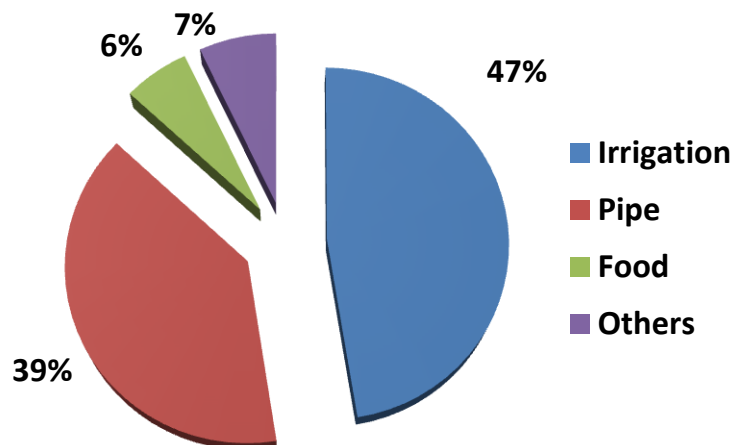
Geography	Mix %	YoYG
Domestic	77%	-12.7%
Export	23%	-3.4%
Total	100%	-10.7%

* Including operating income & excise duty

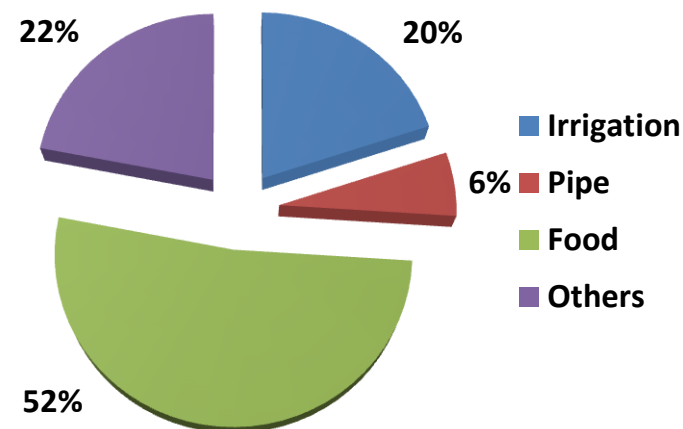
Segment Revenue Contribution



Domestic Revenue Contribution



Export Revenue Contribution

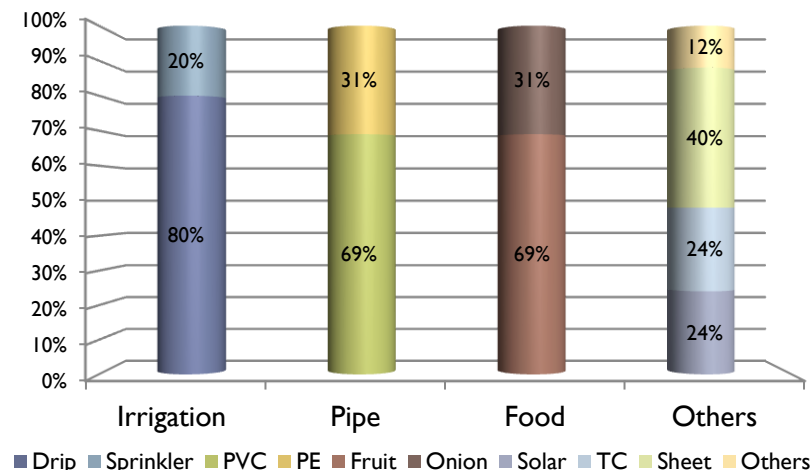


Overview - Standalone Revenue*: 9MFY15

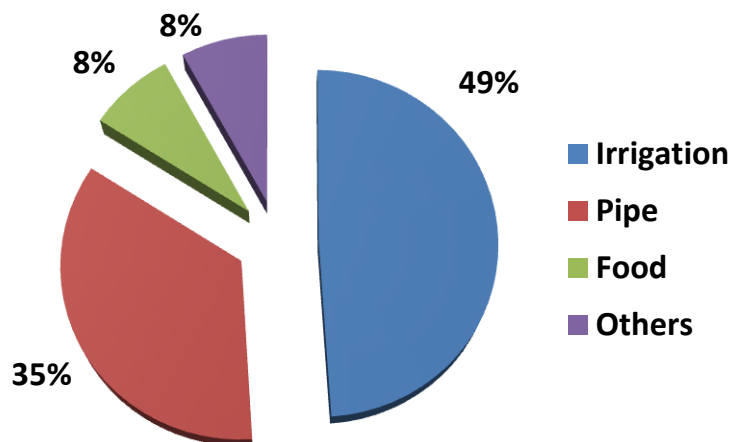
Geography	Mix %	YoYG
Domestic	79%	0.7%
Export	21%	-14.0%
Total	100%	-2.8%

* Including operating income & excise duty

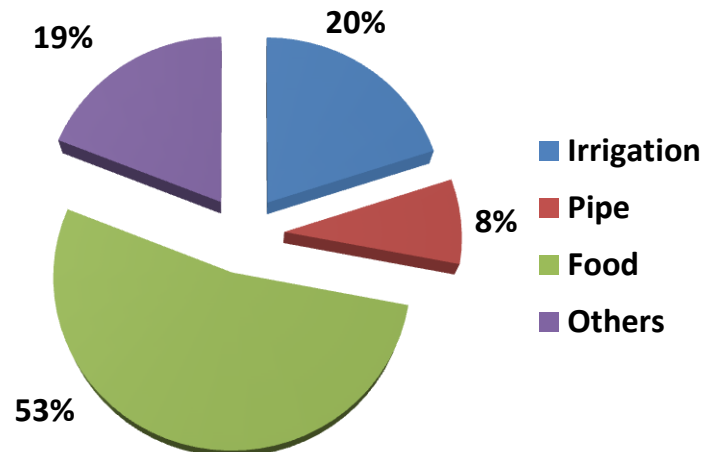
Segment Revenue Contribution



Domestic Revenue Contribution



Export Revenue Contribution

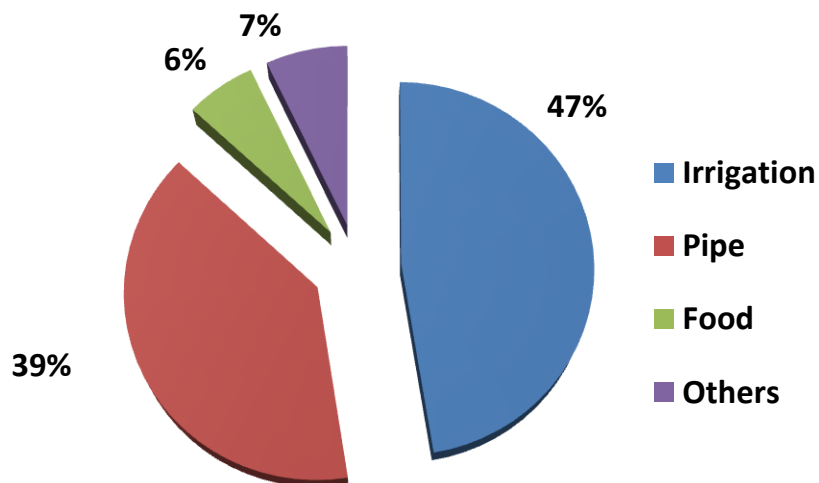


Overview - Consolidated Revenue*: 3QFY15

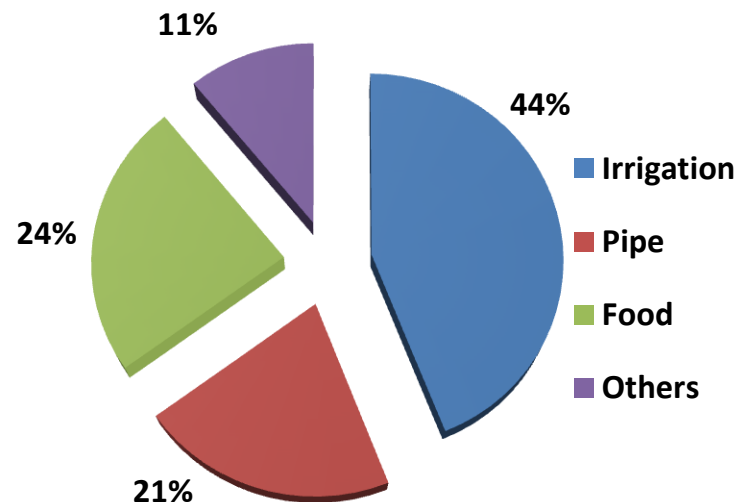
Geography	Mix %	YoYG
India	52%	-12.7%
Rest of World	48%	2.7%
Total	100%	-5.8%

* Including operating income & excise duty

India Revenue Contribution



Consolidated Revenue Contribution

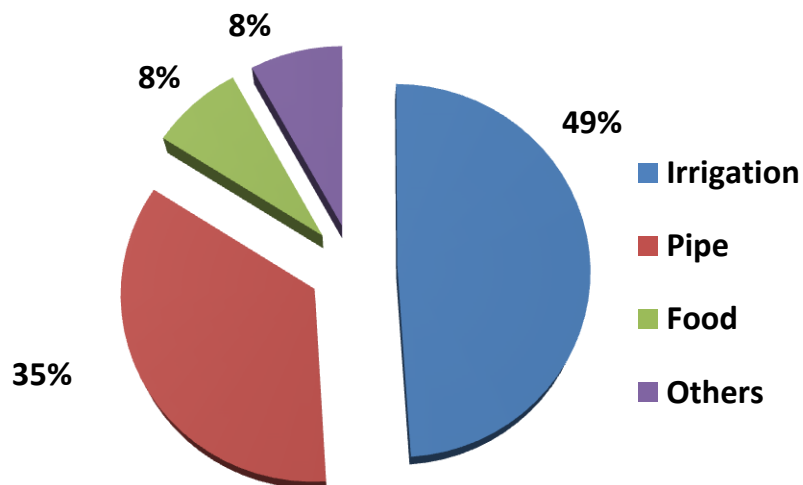


Overview - Consolidated Revenue*: 9MFY15

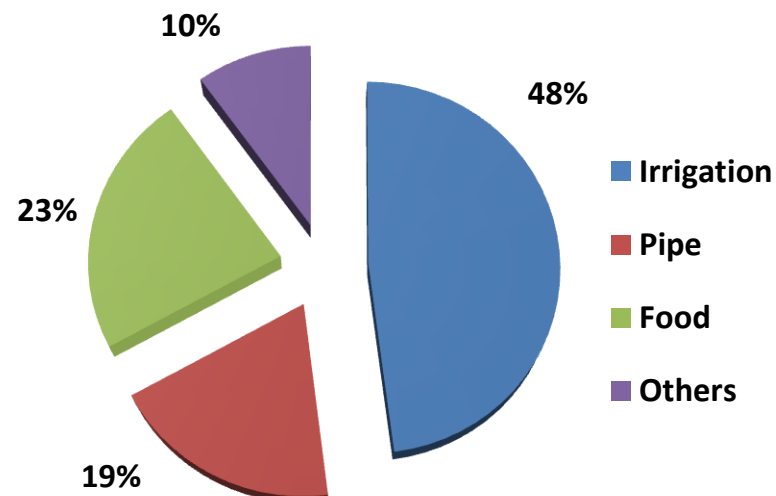
Geography	Mix %	YoYG
India	52%	0.7%
Rest of World	48%	4.3%
Total	100%	2.4%

* Including operating income & excise duty

India Revenue Contribution



Consolidated Revenue Contribution



Net Debt Position

Rs. bn.	Debt_31.12.14	Debt_30.09.14	Change (Q-Q)%	Debt_31.12.13
Standalone (Total)	31.7	31.6	0%	31.1
Long Term	15.7	14.5	8%	15.2
Short Term	16.0	17.1	-6%	15.8
Consolidated (Total)	42.9	42.4	1%	42.0
Long Term	19.9	18.5	7%	19.7
Short Term	23.0	23.9	-4%	22.3

- *Cash in hand has been netted from short term loans (Standalone - Rs.151 Mn & Consolidated Rs. 777 Mn as on Dec-14)*
- *Forex MTM negative impact- Standalone Rs.446 mn & Consolidated Rs.741 mn included in above debt position*
- *39 % of total debts (standalone) & 55 % of total debt (consolidated) as on Dec-14 is in foreign currency*

Standalone Long Term Foreign Currency Loan (FCL) Repayment Schedule

(excluding FCCB of US\$ 50 million issued in Oct-12(USD 40 mn) & Apr-13- (USD 10 mn) Maturity 5 year & 1 day)

Year	FY15 (3M)	FY16	FY17	FY18	FY19-23	Total
Eq. US Dollar mn	2.6	24.7	28.6	26.1	51.8	133.8

- *The Company has hedged USD 30 mn of its long term foreign currency loans*
- *In addition, Company has natural hedge for remainder amount by way of net foreign exchange earning from exports*

Working Capital Analysis : 3QFY15

Standalone:

Days	DSO^_31.12.14			DSO^_30.09.14			DSO^_31.12.13		
	Inventory	AR (gross)	Net*	Inventory	AR (gross)	Net*	Inventory	AR (gross)	Net*
Irrigation	101	197	245	102	211	255	113	265	306
Pipe	40	61	(31)	37	49	(11)	54	39	(7)
Food	246	98	226	276	102	195	286	48	135
Other	176	169	247	178	145	252	132	171	166
Total	117	137	162	121	138	165	120	144	156

Consolidated:

Days	DSO^_31.12.14			DSO^_30.09.14			DSO^_31.12.13		
	Inventory	AR (gross)	Net*	Inventory	AR (gross)	Net*	Inventory	AR (gross)	Net*
Total	124	106	154	121	115	158	126	123	161

^ Based on last 4 quarter Revenue

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

Standalone MIS – Revenue

Rs.in Millions	3QFY15	3QFY14	Change %YoY	9MFY15	9MFY14	Change %YoY
Retail	2,527	2,621	-3.6%	7,940	6,992	13.6%
Project	707	894	-21.0%	2,851	1,691	68.6%
Domestic Total	3,234	3,516	-8.0%	10,791	8,683	24.3%
Export	414	559	-26.0%	1,158	2,395	-51.7%
Total	3,647	4,074	-10.5%	11,949	11,078	7.9%

Standalone MIS – Receivables

Rs.in Millions	31-Mar-12	31-Mar-14	30-Sep-14	31-Dec-14	Change QoQ
Dealer	2,486	2,216	1,660	1,459	(201)
Institutional	1,812	1,315	1,225	1,308	83
Project	3,108	3,433	4,408	3,435	(973)
Govt. Subsidy	9,742	3,923	2,625	2,702	77
Domestic Total	17,148	10,887	9,918	8,904	(1,014)
Export	571	988	574	677	103
Total	17,719	11,875	10,492	9,582	(910)

Recent Development & Recognitions

Recent Developments:

- ▶ India Ratings & Research (Ind-Ra) has affirmed Jain Irrigation Systems Limited's (JISL) Long-Term Issuer Rating at 'IND BBB-'. The Outlook is Stable.
- ▶ The Energy and Resources Institute (TERI) signed memorandum of understanding (MoU) with Jain Irrigation Systems Limited (JISL) to set up a resource Centre on water use efficiency. The MoU will carry out comprehensive research on the themes of water use efficiency at the farm level, water conservation and regeneration practices along with more efficient farm practices

Recognitions:

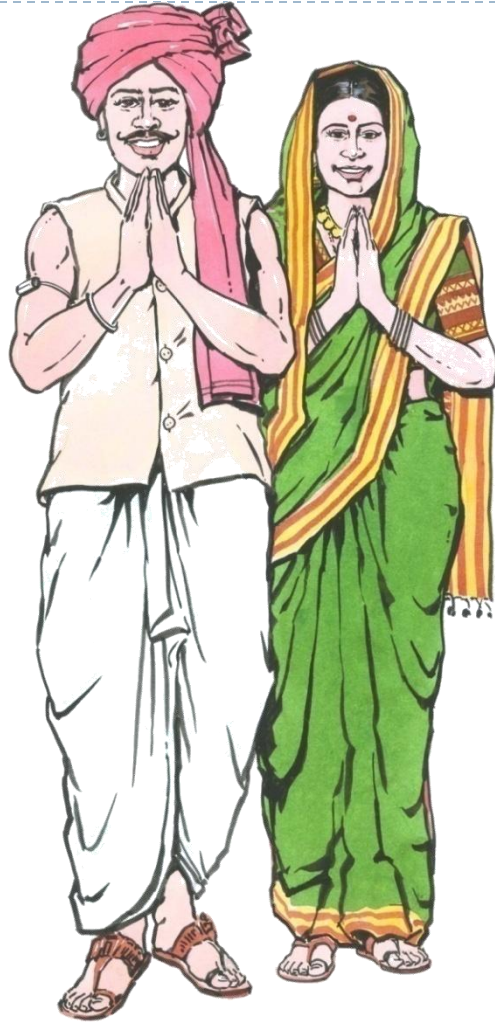
- ▶ FICCI Chemicals and Petrochemicals Award for Distinguished Contribution to Chemicals & Petrochemicals Industry
- ▶ FICCI Chemicals and Petrochemicals Award for the Most Environment-Friendly Company in Petrochemicals
- ▶ Surya Urja Puraskar by Solar Energy Forum of India (SEFI) & Renewable Energy Promotion Association (REPA) for CEO of the Year for his Yeomen Contribution to the Solar PV Module - Enterprise Manufacturing, Solar Water Pumping Systems & De-Centralized Solar Solutions making "Jain Solar" a top State-of-the-Art manufacturer and supplier of Solar PV Systems and Modules in India
- ▶ Surya Urja Puraskar by Solar Energy Forum of India (SEFI) & Renewable Energy Promotion Association (REPA) for India's Most Integrated Company in De-Centralized Solar & Solar Water Pumping Systems
- ▶ Honorary Fellowship by The Horticultural Society of India, New Delhi (GoI) & Tamil Nadu Agricultural University, Coimbatore For Significant Contribution in Micro Irrigation and Micro Propagation

Business Outlook

- ▶ We are seeing better order pick up in PE pipe segment indicating movement in infrastructure area. Under negotiations project business pipeline for MIS + Solar Pump business continues to be strong.
- ▶ Food Processing continues to be strong with positive outlook
- ▶ Weak sentiment exists in rural India and especially in agriculture due to extreme weather events and lower agri commodity prices. We need to monitor how this may evolve over summer.
- ▶ In overseas markets, Latin America and North America continues to do better while Europe and MENA are displaying signs of weakness.
- ▶ After sudden and consistent decline in last quarter, polymer prices seems to have stabilized as of now. We have to factor in 'New Normal' in terms of lower polymer prices as it translates into our business model.
- ▶ While rupee Vs dollar is less volatile and expected to improve, erosion in value of GBP and Euro may impact specific exports.
- ▶ We are cautiously optimistic in current and next quarter but feel quite positive about entire FY'16 across all of our business segments

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Thank You