

Management Discussion and Analysis

The global economy is in an almost synchronised slow down after an initial upward momentum seen in early part of CY 2012. Despite slowdown concerns the commodity cycle remains uncertain. Exports from emerging and developing countries have been detained by weak global economic activity. On the domestic front too macro economic indicators are raising concerns about growth which is being revised downward by independent agencies to below 6% per annum. Since last quarter of Financial Year 2011, the GDP growth estimates of 9.2% are now down to 5.3% in last quarter of Financial Year 2012. Domestic interest rates are very high and not conducive to new investment decisions. Meanwhile public atmosphere has been vitiated with constant stream of negative news stretched government finances and pessimistic emerging scenario.

Significant weakness in investment activity is the main cause of slowdown. Monsoon situation continues to worry, monsoon estimates were revised down too and the country is expected to receive around 85% rainfall of long period average. Inflation remains sticky due to primary food inflation and is not expected to improve if drought were to be confirmed by end of Monsoon season in September 2012.

1) Overview of Business

Our Company (JISL) is a leading agri-business Company, operating in diverse but integrated segments of the agri-business value chain. It is the second largest micro irrigation Company globally and is largest manufacturer of micro irrigation systems in India. It is also the largest manufacturer of Mango pulp, puree and concentrate in the world and the third largest manufacturer of dehydrated onions. JISL is also India's largest manufacturer of polyethylene pipes, leading PVC pipe manufacture and is furthermore the largest manufacturer of Tissue Culture banana plants in the world. JISL is additionally into hybrid & grafted plants; greenhouses, poly and shade houses, bio-fertilizers, solar water heating systems, solar panels, solar water pumps and wood substitute plastic sheets. JISL renders consultancy for complete or partial project planning and implementation e.g. watershed or wasteland and / or crop selection and rotation.

2) The Strategy

Our goal is to leverage our strengths to continue to expand our capacities in the long term while consolidating in the short to medium term in each of our respective business lines and move into complementary product lines to continue our growth in India and to compete in the global market.

The principal elements of our strategy are:

a) Consolidation of our micro irrigation business in India and focus on receivables collection

We are currently largest suppliers of micro irrigation systems in India. Our strong brand name, extensive agricultural expertise and broad network of dealers has contributed to our aggressive growth in India in last 10 years. We aim to consolidate this growth by focusing on receivables collection in states such as Maharashtra, Karnataka, Andhra Pradesh and Tamil Nadu – while continuing work in other states such as Gujarat, Haryana, Rajasthan, Uttar Pradesh and Madhya Pradesh etc.

We aim to provide farmers an end-to-end water solution by transporting water, creating new water reservoirs, creating irrigation systems and assisting with agronomy through our canal command area projects.

b) Focus on financial management and synergies of creating an affiliated financing entity

Our largest business is micro irrigation which has a relatively protracted cash collection cycle from the invoice date. It takes between 9 and 12 months after delivery of products to receive the government incentives portion, which makes up at least 65% of the purchase price. We are focused on having sufficient financing facilities in place to fund future growth. Additionally, we continuously plan to monitor interest cost and optimise our borrowing mix in line with changes in market dynamics. The start of a finance entity (NBFC) – SAFL, in which we will have a minority stake will significantly shorten the cash flow cycle by disbursing funds to us at the time of delivery of our products.

c) Continued focus on agricultural value chain

We will continue to expand our product range with emphasis on the agricultural value chain. We also plan to enhance our distribution reach by adding new dealers and distributors to penetrate the Indian and international markets, particularly in Turkey, Mexico, Africa, the USA and Latin American countries. We plan to add new fruits and vegetables to our vegetable dehydration and fruit processing capabilities, adding to our capabilities in the agricultural value chain and meeting demands for new products and food ingredients from consumers. We believe this will further diversify our revenues and insulate our sales from adverse conditions as food processing is immune to slow down. We are also adding new products in our renewable energy segment, including integrated photo voltaic modules, (which can be used on roof tops and in building), full aperture collectors, hygienic hot air dryers, Solar Water Pumps etc.

d) Maintaining our cost competitiveness through technology

We seek to be a cost-competitive high-quality producer and are focused on maintaining our cost competitiveness in our domestic and international markets. We have invested and we continue to invest in advanced equipments, which provide us with consistent and cost effective production rapidly while maintaining quality. Due to our backward and forward integration, we have optimised capital investment on a per ton basis for our production facilities. We continue to pursue the one-stop-shop and integrated system approach which allows us to maintain lower sales and distribution costs resulting in cost competitiveness. We have invested in and have evolved our own unique processing technology and special seeds which allows us to improve yields in our food processing division, thereby increasing competitiveness. We buy major polymers which are our raw materials at reduced prices due to our scale. We have automated various processes in our plants so as to reduce manpower costs. We have started new plants in different states in the last three years and we plan to build more such plants across India, specially East India thereby reducing logistics and other costs. Our continuous in-house and on-field research and development has allowed us to optimise our product and system design, thus rendering our end offering to be more cost competitive. In our micro irrigation business,



we have focused on helping our customers to improve their production and productivity thus increasing value proposition of our product. We have also invested in green technology for the generation of energy which is expected to generate carbon credits and renewable energy certificates. We plan to further increase productivity and production while reducing our costs by continuing to invest in new equipment, improving our material management systems to minimize wastage and production losses, improving our working capital cycle to reduce our interest costs and refinancing our higher cost debt with lower cost debt.

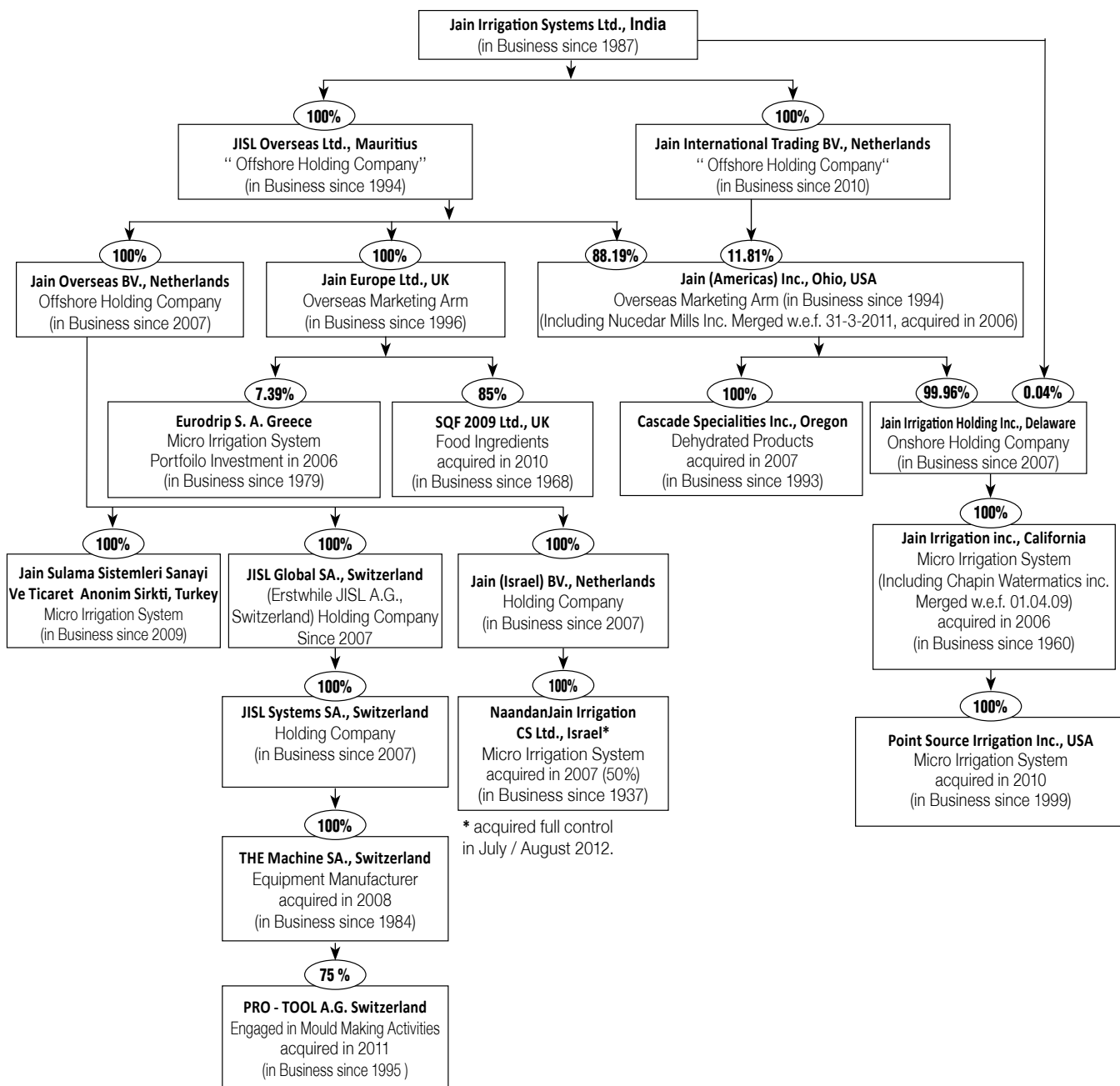
e) Growth through select strategic partnerships and investments in other ventures and mergers and acquisitions

We aim to be among the top three global players in each of our major business segments and become an international brand in the agricultural business. In addition

to organic growth, we will evaluate on a case-by-case basis potential acquisition targets that can grow our business, provide new technology, increase production capacity and/or expand our capabilities or geographic reach. We invested for full control in NaanDanJain an Israeli irrigation Company, to incorporate their controlled irrigation technology and micro sprinkler products; in THE Machines, a Swiss Company, to adopt their equipment and machine manufacturing expertise, and more recently acquired assets a business from white Oaks a food company, to have direct access to a large market with new value-added food products. We plan to acquire the minority stakes from past acquisitions as per commitment to further integrate these businesses into our operations. We intend to pursue acquisitions that are related to our key strengths, are synergistic and in our assessment, have manageable integration risks and low up front payments.

3) Corporate Structure

The below table sets for the current corporate structure of the Company



A) Overseas Holding Companies

- a) **JISL Overseas Ltd.**, Mauritius is a wholly owned subsidiary of the Company and was incorporated in 1994 under the laws of Mauritius. JISL Overseas Ltd. acts as a holding Company for the overseas subsidiaries and all of the overseas subsidiaries are directly held by JISL Overseas Ltd. For the year ended 31st March, 2012, JISL Overseas Ltd. had share capital of US\$86.06 million. The said Company had a loss of US\$ 811,869 for the year ended 31st March, 2012.
- b) **Jain International Trading B.V., Netherland** is a wholly owned subsidiary of the Company and is incorporated in 2010 under the laws of Netherland. For the year ended 31st March, 2012, Jain International Trading B.V. had share capital of US\$6.67 million. The said Company had a loss of US\$ 312,860 for the year ended 31st March, 2012.
- c) **Jain Overseas B.V., Netherland** is a wholly owned subsidiary of the JISL Overseas Ltd., Mauritius and was incorporated in 2007 under the laws of Netherland. The said Company had a loss of US\$ 354,974 for the year ended 31st March, 2012.
- d) **Jain (Israel) B.V. Netherland** is a wholly owned subsidiary of the Jain Overseas BV., Netherlands and was incorporated in 2007 under the laws of Netherland. The said Company had a profit of US\$417,672 for the year ended 31st March, 2012.
- e) **JISL Global SA, Switzerland** is a wholly owned subsidiary of the Jain Overseas BV., Netherlands and was incorporated in 2007 under the laws of Switzerland. The said Company had a profit of CHF 4,994 (approx. US\$ 5,736) for the year ended 31st March, 2012.
- f) **JISL Systems SA, Switzerland** is a wholly owned subsidiary of the JISL Global SA., Switzerland and was incorporated in 2007 under the laws of Switzerland. The said Company had a loss of CHF 15,051 (approx. US\$ 17,288) for the year ended 31st March, 2012.
- g) **Jain Irrigation Holdings Inc. Delaware, USA** is a subsidiary of the Jain Americas Inc., USA and was incorporated in 2007 under the laws of USA.

B) Overseas Marketing Companies

- a) **Jain (Americas) Inc., USA** (Including NuCedarMills Inc., USA merged w.e.f. 31st Mar 2011) is a wholly owned subsidiary of the Company and was incorporated in 1994, under the laws of Ohio, USA. It is our key marketing, distribution and investment arm in the United States. For the year ended 31st March, 2012, Jain (Americas) Inc. had sales of US\$ 25.40 million.
- b) **Jain (Europe) Ltd., UK** is a wholly owned subsidiary of the Company and was incorporated in 1996, under English laws. Jain (Europe) Ltd. is our key marketing and distribution arm in the UK and other European countries. For the year ended 31st March, 2012, Jain (Europe) Ltd. had sales of GBP 29.90 million (Equivalent to US\$47.66 million).

C) Operating Subsidiary Companies

- a) **Jain Irrigation Inc., USA** (Including Chapin Watermatics Inc. merged w.e.f. 1st April 2009 and Point Source Irrigation Inc.) is a wholly owned

subsidiary of the Company through the Jain Americas Inc. Jain Irrigation Inc. is engaged in drip tape manufacturing and distribution business based in California. For the year ended 31st March, 2012, the Company had reported revenue of US\$ 61.55 million.

- b) **Cascade Specialities Inc. USA** is a wholly owned subsidiary of the Company through the Jain (Americas) Inc. It is engaged in onion and garlic dehydration business with specialization in natural low bacteria and organic dehydrated products. For the year ended 31st March, 2012, the Company had reported revenue of US\$ 21.62 million.
- c) **NaanDanJain Irrigation C.S. Ltd.** Israel is owned to the extent of 50.0001% by the Company through Jain (Israel) B.V. It is engaged in the manufacturing of drip / sprinkler irrigation. NaanDanJain also has manufacturing facilities in Chile, Brazil, Spain. For the year ended 31st March, 2012, the Company had reported revenue of NIS 433.76 million (Equivalent to US\$ 121.43 million).
- d) **THE Machines SA, Switzerland** is a wholly owned subsidiary of the Company through the JISL Systems SA. It is a Switzerland based manufacturer of plastic extrusion equipment with laser technology. For the year ended 31st March, 2012, the Company had reported revenue of CHF 27.43 million (Equivalent to US\$31.51 million).
- e) **Jain Sulama Sistemleri San. Tic. A.S., Turkey**, is a Turkey based manufacturer of drip / sprinkler irrigation. The Company is owned to the extent of 100% through Jain Overseas B.V. For the year ended 31st March, 2012, the Company had reported revenue of TRL37.71 million (Equivalent to US\$ 22.07 million).
- f) **SQF 2009 Ltd., UK** is based in Sleaford town in Lincolnshire County in the East Midlands region of England. The Company is owned to the extent of 85% through Jain (Europe) Ltd., UK. The Company had reported revenue of GBP 32.42 million (Equivalent to US\$51.68 million). The Company has a put option to acquire remaining ownership over the next 3 years from other shareholders at an EBIDTA multiple each year.
- g) **Pro Tool AG, Switzerland** is a Switzerland based manufacturer of plastic injection mould. The Company is owned to the extent of 75% through the THE Machine SA. For the post acquisition period, the Company had reported revenue of CHF 1.03 million (Equivalent to US\$1.18 million). The company has a option to acquire remaining ownership over the next 10 years from other share holders at an agreed fixed price.
- h) **Eurodrip S.A. Greece** In February 2006, we acquired 7.39% in Eurodrip through Jain (Europe) Ltd. The Company is one of the largest micro irrigation companies in Europe with its headquarters in Greece.

4) Competitive Strengths

We believe that the following are our principal competitive strengths

- a) **Strong brand and leadership position in our businesses in India.**

We are one of India's leading manufacturers of micro irrigation systems, piping systems and agro-processed

products. Our MIS products are customised to assist in meeting the special requirements of our customers in India. We have worked with farmers to provide them training and introduce them to more advanced processes and technology as well as with Indian state governments and international organisations to develop technology and support new initiatives to assist farmers. We have maintained our leadership position with extensive research and development in plant, in lab and on farm to improve our products. We have built an extensive and loyal distribution and dealership network throughout semi-urban and rural India, selling flagship brands such as Jain Drip, Jain Sprinklers, Jain Pipes, Chapin and FarmFresh, which are well known in the Indian and international markets. We believe that our strong brand presence and leading market position and understanding of our customer's needs makes us well-placed to capitalise on growth opportunities in the Indian and international markets for our products.

b) Total solutions provider across the agricultural value chain.

We have utilised our agriculture expertise and relationships to participate across the agricultural value chain and diversify our revenue. In addition to our micro and sprinkler irrigation systems, plastic piping and solar pumps which are used in irrigation, we also supply bio-tech tissue cultures which help farmers reduce growing time and create higher crop yields. In addition, we work with our customers on a turnkey basis providing engineering, soil and water analysis, water resource estimation, crop planning, irrigation and fertigation scheduling, marketing assistance and other agronomical and technical support and training. We purchase onions, tomatoes and other vegetables for vegetable dehydration from our contract farmers and others and are a major consumer of mangoes for our fruit processing operations. We believe that being involved across the value chain leverages our knowledge, relationships, brand name and strong distribution network to provide total solutions for farmers.

c) Diverse revenue streams from different geographies

We have production and processing facilities across India and our sales have been growing in various states in India and internationally, which makes our sales and production less susceptible to weather or other risks in a particular region. We aim to expand internationally by looking for opportunities for future growth, especially in progressive agriculture markets. Our revenues are further diversified across the wide range of products we sell. Additionally, no single customer accounts for more than 5% of our revenues in Fiscal 2012. This diversification can help insulate our overall sales and operations from adverse conditions affecting any one of our business segments or products, a particular region or a particular customer.

d) Experienced management and large pool of agriculture professionals.

Our senior management team has deep experience in the industries in which we operate. We believe that the experience of our management team in the agriculture sector and international markets will help us increase our penetration internationally and expand the range of our product offerings. Our management team also has long-standing relationships with many of our

major customers, distributors/dealers and suppliers. Further, we have one of the largest pools of committed agricultural scientists, technicians and engineers in the private sector in India, comprising over 1000 agricultural scientists, technicians and engineers. Our after sales support, training and other services are one of our main selling points.

e) Flexible and scalable business model.

We believe that the flexibility and scalability of our existing production facilities and distribution network will help us meet increased demand for our products. Our presence in India with eleven manufacturing plants provides us a low cost, centralised manufacturing base.

The scalability of our existing facilities enables us to increase our production capacity through the installation of new equipment and production lines. Our manufacturing facilities enable us to produce a wide range of products with different specifications, such as inline tubing, flat dripper tubing, PC emitters, sprinkler pipes, impact sprinklers, PVC/ PE pipes, casing and screen pipes and duct pipes with different diameters and working pressure ranges, and processed and dehydrated fruits and vegetables using different organic feedstocks. This assists us in meeting the specific demands of our customers and reducing the impact of seasonal changes in production volumes for specific products such as our agro-processed products and piping systems.

f) Wide dealer and distribution network.

We have over 3,000 dealers in India selling our products exclusively. Most of these dealers come from farming backgrounds and are influential in their respective regions. This strong local sales force gives us a deep understanding of the needs of our customers in India and assists us in providing strong after-sales support and sharing our knowledge with our customers. We can leverage our production facilities to further expand our distribution reach by adding additional dealers in new areas.

5) Overview of Segment

[A] High-Tech Agri Input Products

This segment comprises of Micro and Sprinkler irrigation systems, PVC Pipes, biotech Tissue Culture and other agri inputs. The segment has grown at almost 12.5% over the previous year at ₹ 25,595 million. The main growth engine was the MIS business at an impressive 11.4% growth. PVC pipes also grew at a growth rate of 13.6%. The segment profit has grown by approximately 7% over the earlier year's level, while the capital employed grew at over 65% reflecting the creation of additional capacities during the year as well as stretched MIS/ SIS receivables.

a) Micro and sprinkler irrigation

i) Industry

The industry is broadly divided into the organized and unorganized segments in the country. Your Company is the largest player in the organized sector. In view of the involvement of a large number of components in a system, all of which are not available with a single manufacturer, it is difficult to hazard a guess about the exact size of the industry as most of the figures are derived on the basis of information available from different sources. While

the Company controls 55% of the Micro Irrigation business in the country, it has a market share of 35% in the Sprinkler irrigation business in the country. The current estimate of industry size is ₹ 33 bn. and it is growing at a fast pace. Currently only 5 million Ha (7% coverage) of the possible 69 million Ha area is covered under the micro and sprinkler irrigation in the country. However, as per Government task force, 17million Ha of land can be easily brought under micro irrigation coverage in the country by 2012, while by 2030 the extent of MIS/SIS coverage may reach 69.5 mn Ha.

The prospect for global growth of the MIS industry is strong. Experts estimate that by 2025 the majority of developed countries will confront issues resulting from a scarce water supply, with all major economies switching to MIS to mitigate the disruption that such a shortage could cause. Although MIS's popularity continues to grow, high initial costs have hindered its wider application. Despite this, over the last 20 years, there has been a six-fold increase in the area under micro irrigation. North America and Europe have the highest rates of utilization, with the United States being the first country to employ micro irrigation technology in its fields and achieving the highest micro irrigated area. Asia is in the development phase in its use of the technology, with both India and China adopting the technology, albeit with low utilization rates. India and China both represent attractive growth opportunities for the MIS industry.

ii) Performance

The business contributes approximately 51% of the Company's turnover. The division has been growing at a CAGR of 39% in last five years on the back of projects in the States of Andhra Pradesh, Gujarat, Tamil Nadu and consistent growth in Maharashtra. The business added 51,410 MT of capacity during the year under review, while Fixed Assets addition was to the tune of ₹2,556 million. This division had low growth in the year due to stress on receivables and deliberate policy of Company to reduce sales & improve cash flow.

iii) Opportunity & Outlook

Almost 50% of the arable land in the country is still rain fed. The Government (Central and State) provide 50% capital subsidy for promoting the use of Micro Irrigation by farmers. While targeting an agriculture growth of 4% per annum, the government had also placed higher targets for farm credit and agriculture investments at 2% plus of the GDP for the XII plan period. Recently in 2010 the Cabinet Committee of Economic Affairs approved the "National Mission on Micro Irrigation" (NMMI) during the Eleventh Plan period. This again demonstrates the sustained focus of the government on pushing the micro-irrigation as a tool to conserve the water and address the issue of food security. The Union Budget reflected an overall increase in thrust towards agriculture.

During the year under review, the 23rd manufacturing plant worldwide, and 11th in India was established at Alwar in Rajasthan. The plant at peak capacity shall have a capacity to manufacture 15,000 MT per annum of MIS/SIS, 25,000 MT per annum of PVC/ PE Pipes & Fittings. It will serve the states of Punjab, Haryana, Himachal Pradesh, Uttar Pradesh,

Jammu and Kashmir apart from Rajasthan and help the Company improve its penetration levels in this important part in north India.

Your Company has continued its training and extension activities for benefit of farmers throughout the country. Thus, during the year under review, the extension activities were carried out in over 165 districts in the country covering over 164,000 farmers in 15 states.

iv) Risks & Challenges

Government policies and allocation amount towards central subsidy could influence the growth prospects of this business. Delayed cash-flow, could, apart from causing pressure on managing the working capital requirements, also have negative impact on the profitability of this business. With very high working capital requirements causing higher interest cost, the net profit margin of this business remains under pressure for the industry.

The growth in industry requires a large pool of trained sales people on a continuous basis, skilled people are required for implementation of the system and a dedicated dealer network is required in the far flung areas of the country. The uneven distribution of rainfall in the country, consecutive drought like situation for 2/3 years and fluctuations in the polymer prices are constant threats faced by the industry. Due to fragmented land holding in the country, the average farmer holds very small piece of land but irrespective of his size of holding the level of services required are almost the same. This fragmented holding therefore results in high transaction cost for the Company.

There are a large number of players in the industry whose influence is restricted to a small surrounding area, who neither maintain quality of the product nor are able to give any quality service. These players tend to spoil the market due to their practices and may provide backlash against the concept of Micro Irrigation.

Recently, large groups with deep pockets have entered the industry through acquisition or fresh initiatives. It remains to be seen if they have long term view about staying in the business.

Also there has been significant growth of players in unorganized sector. These companies with their low cost and non-system oriented products are taking away certain market share from organized sector, especially in replacement market.

Your Company is well poised to take on competition and maintain leadership with more than 50% market share as it has offering available for customers at different price points without compromising quality of products.

b) PVC Piping

i) Industry Indian Scenario

India's plastics industry is projected to grow dramatically in the coming years. The country's plastics processing sector, for example, is expected to grow from 69,000 machines to 150,000 machines in 2020. The PVC industry is integral to the MIS industry. The PVC pipes business is driven in large measure by demand for pipes used in agriculture, including agriculture unrelated to MIS. With agriculture expected to continue its tepid growth

in India, and the positive correlation historically observed between the growth rates of agriculture and PVC, experts project that the PVC sector will grow by around 9% over the next two years.

Jain Irrigation, with a 15% share, is one of the three major players in the organized market. Rest of the industry, being small and medium scale in nature, is unorganized, fragmented and scattered near the user belts in the country. Increased micro irrigation spends, higher allocation towards rural water infrastructure for potable water, push for urban infrastructure by government agencies and Command Area Development Programme will improve the demand situation for the industry.

ii) Performance

During the FY 2012, this business contributed 17% revenue for the Company. The business has grown at a steady 16.7 % in revenues over last year. The business added 4,620 MT of capacity during the year under review, while the Fixed Assets addition was to the tune of ₹183 million. Your Company is a clear leader in rural water & irrigation markets, while it has long way to go to build business in urban areas for building & construction sector.

iii) Opportunity & Outlook

While the expansion of capacity undertaken last fiscal year is complete, in view of increased budgetary allocation from government, demand is expected to continue to increase. While the government infrastructure spends are increasing all the time, the government programmes continued for safe drinking water, urban and rural sanitation, rain-water harvesting and integrated watershed management programme etc. are expected to generate substantial demand for piping products in the coming years. The Company is considering establishing one more production centre in the eastern part of country in near future. A large part of the Urban Infrastructure projects in the current five year plan towards irrigation, drinking water supply and sanitation, provides ample opportunity to scale up production.

iv) Risks & Challenges

Delays in government decision/ spending and limited availability of PVC resin in India is the potential threat to the otherwise rosy picture for the future of the industry. Low cost and low quality manufacturers continue to twist healthy markets. Volatility in price of raw material PVC resin is another dampening factor on demand. Due to heavy anti dumping duty, cost of PVC resin has been artificially increased for domestic processors, affecting end product demand.

c) Biotech Tissue Culture

i) Industry

The industry is broadly divided into two segments

- 1) Fruits and vegetables
- 2) Leafy Plants and flowering Ornamental Plants.

The industry is not organized although some big names did start forays in this industry in the mid 1990's. Most of the players are engaged in tissue culture for cut flower exports, where the model of business is quite different. The Company started with banana as the main crop for tissue culture and the efforts have really paid off. The industry is still growing at an estimated 25% per annum.

ii) Performance

The sales in business crossed ₹436 million during the year, reflecting a 61.4% growth over the previous year. The quantity increased to 29.6 million plantlets. Keeping quality of plants as the top priority. Company had implemented a four stage disease testing program. The unit has also maintained various certification standards for commercial tissue culture laboratories. This division had extra ordinary performance in all respects.

iii) Opportunity & Outlook

The outlook continues to be excellent and demand shows improved uptake in the coming season. Now, many State Governments are evincing keen interest in promoting tissue culture. The Company has the opportunity to diversify the business, produce fruit, ornamental and other fruit plants. The Company has also started production of tissue culture pomegranate plants, onion and even mango. Research and Development to create Citrus plants has been successful. There is also an export potential to other Asian countries which can be tapped.

iv) Risks & Challenges

Lack of skilled work force and the risk of legal problems in case of non-performance of the planting material in the farmer's field are the major challenges facing the business.

[B] Industrial Products

The segment business includes the varied business lines like PVC Sheets, Polycarbonate Sheets, PE pipes for industrial applications, Fruit processing, and onion and vegetable dehydration. Business in this segment has grown at 40.6% over the earlier year's level at ₹1,747 million. The major growth came from Solar business at 127% growth in revenue terms on a small base.

a) PE Piping

i) Industry

The applications of PE pipes are growing at a fast pace and yet new applications are being developed for the product. In applications like sewage & effluent disposal, due to the tougher environmental laws and stricter application of the same by the Government departments, the replacement of cement/metal pipes by PE pipes is becoming very relevant. Such possibilities are significant especially since the larger diameter PE pipes are now indigenously available within the country itself. The Company's presence in gas and cable duct segments of the PE pipe business is commanding and hence the overall market share is in excess of 30%. The Company is operating in all segments of the applications like cable duct, sprinklers, gas distribution, water conveyance, house service connection, Sewage conveyance, Effluent disposal, sand stowing, dust suppression etc.

ii) Performance

This business has degrown in FY 2012 by 9.7%. However it is still at ₹2,878 million for Financial Year 2012. However, with all user industries like telecom, gas, water and sewerage having good plans for growth and capital expenditure, the future is bright for this business. While future is bright, in short term, the business is languishing due to stalled infrastructure projects.

iii) Opportunity & Outlook

The Company has successfully continued to get large supply contracts with multinational companies for supply all over the world as a preferred supplier with very encouraging revenues. The massive infrastructure projects undertaken under the Bharat Nirman Yojana, increased investments by telecommunication industry and plans for piped gas in cities, continue to be the potential demand drivers for the industry. All the Gas Distribution companies are continuing their growth plans as newer cities are being added every year. The telecom sector in India is growing well, more so, the recent allocations of licence for 3G applications augur well for the telecom sector.

In water transmission and distribution business there are around 200 firms registered with BIS, but the national players are only 3 and Jain Irrigation is the only player to manufacture pipes of up to 1600+ mm dia. Jain Irrigation, now, has developed the capability to provide a complete solution to Water Management, Waste-water Treatment and judicious use of treated water.

iv) Risks & Challenges

The unstable raw material prices and business cycles of the end users and delay in implementation of projects remain the major risks faced by the business segment. Lack of awareness about quality needs at the customer end provide significant challenge. Also conversion to HDPE from steel or concrete is still not easy due to unwillingness to change old specification at engineering levels.

b) Onion and vegetable dehydration

i) Industry

Dehydrated Onion is the largest used general food ingredient. This industry is dominated by supplies from USA, followed by India and Egypt. USA is also the largest consumer of this ingredient followed by Europe, Asia & South America etc. Dehydrated Onion industry uses less than 2% of world's total fresh onion production of approximately 70 million MT. Agro processing in India provides an important link between the country's rural and urban economies by combining food produced in farms and villages with growing demand in the cities for high value, packaged food. As a result, the agro processing industry has expanded, growing at about 14% and contributing to 10% of India's manufacturing GDP and 13% of the country's exports. India's total food market turnover is over US\$69.4 million, of which the "value-added" food market of the agro processing industry now contributes US\$22.2 million. Even accounting for the industry's recent growth, agro processing in India remains underdeveloped. Only 2% of India's total agriculture and food produce is processed. India's dairy industry is the sector with the highest processing rates at 35%, with only 13% processed by the organised sector.

ii) Performance

During the year under review, this business has grown by 23.5% as compared to previous year. The Company achieved this sales growth under the adverse scenario of bad onion crop, increased raw material cost, volatile rupee, etc. Company also achieved better realization on average sale price per kilo basis therefore showing overall good performance.

In order to maintain its leadership position the Company has upgraded and maintained its quality management system to ISO 22000 apart from other certifications like BRC, GMA SAFE, Kosher, Halal etc. Company's Indian operations have also been certified under ISO 14001 and OSHAS 18001 for Environment and Occupational Health and Safety.

iii) Opportunity & Outlook

Outlook for vegetable dehydration industry in general and dehydrated onion industry in particular looks positive. Large multinational companies with very popular household brands are looking towards consolidating the number of suppliers and trying to align with select few suppliers who can provide better traceability and sustainability. This puts the Company in a very good position due to its backward linkages, relationship with farmers, contract farming programs, ability to supply from two different origins with different seasons and product quality attributes and Company's sustainability in general. Company has seen its business grow with quality oriented large multinationals over last few years.

Worldwide Onion dehydration industry is estimated to be around 180,000 MTPA. The industry is growing globally at 3-5% per annum. The Company now has capacity to produce approximately 28,000 MT per annum of finished products between its three plants in two countries. This makes the Company the third largest dehydrated onion producer in the world. Company has also expanded its business by increasing the usage of dehydrated onion in the custom made dry ingredients blends for food industry through its subsidiary in the UK for European market. Demand for naturally produced low micro products and organic dehydrated vegetables continues to grow. The Company estimates that with growing demand of its finished products and general upward movement of food prices globally, the Company will be able to achieve further growth in sale and better realization in the coming year. The Company is also looking at increasing production of value added products like fried onion, frozen onion, dry vegetable ingredients industrial blends and other vegetables in the coming years.

Company has also made good inroads in offering related vegetables like garlic, dehydrated Reels etc., the results of that will be visible during financial year 2013 and onwards.

iv) Risks & Challenges

The biggest challenge for any agro processing industry is the availability of right quality material at right price and the required quantity. Poor monsoon, changing climate, competing crops pose risk in terms of availability of the raw material itself, which can result in lower production in a particular year. Part of this risk is mitigated by the contract farming program undertaken by the Company, under which the Company secures 100% of its raw material for its US operation and a significant portion of the Company's raw material requirement for its Indian operations. Apart from challenges on raw material availability front, the other challenge is the rising energy and other costs. Company also faces stiff challenge from low cost / low quality producers who can adversely affect the overall market. Dehydrated

onion is viewed as basic ingredient by many food processing companies where switch over to different suppliers is a frequent occurrence. To address this, Company has moved into value added custom blends via its UK based business to create long term association.

c) Fruit processing

i) Industry

The fruit and vegetable processing industry has a huge potential in India, with India ranking 2nd in the world in production of fruits and vegetables but is at the lower rung of the value chain in terms of processing. The availability of fruits and vegetables is varied due to diverse agro climatic conditions. Despite the large production of fruits and vegetables, it is estimated that only approximately 6 per cent of total agro output of India is currently processed as against up to 60-80 per cent in some developed countries. India's share in the global food trade is only 1.5%. All of this implies that there is a great potential to grow this industry. An increase from 6% to 20% in terms of processing and increase in value addition from 20% to 30% will translate into quantum jump in the size of the processed fruit and vegetable industry.

The installed capacity of India's fruit and vegetable subsector has increased from 1.1 million tonnes in January 1993 to 2.1 million tonnes in 2006. It is estimated that processing fruits and vegetables accounts for around 2.2% of India's total production. The major items of this subsector include fruit pulps and juices, fruit-based ready-to-serve beverages, canned fruits and vegetables, jams, squashes, pickles, chutneys and dehydrated vegetables. Recent additions to the space include vegetable curries in retortable pouches, canned mushroom and mushroom products, dried fruits and vegetables and fruit juice concentrates. Globally, demand for fruit juices made from exotic fruits like Mango, Peach, Banana, Papaya etc. is growing at rate faster than juices from traditional fruits like Apple, Orange etc.

ii) Performance

This unit forms an important part of the Company's approach to integrated farming model, wherein the Company supplies the farmer with high-tech agri inputs, and is ready to buy back the surplus output to add value and offer the same locally and in International markets, thereby completing the agri value chain. The unit clocked yearly revenues of ₹3,475 Mn. during the year under review. The business grew at 12.6% in value terms. The unit processed 113,520 MT of fruits during the year. The unit added new capacities in Aseptic, Frozen and IQF part of the business recently. Company processed various fruits like Mango, Pomegranate, Amla, Guava, Banana, Papaya, Tomato, etc in the year under review.

The unit continues to retain its accreditation under various quality standards such as ISO 22000, FSSC 22000, SGF, Kosher etc. The business unit has also achieved accreditation under ISO 14000 and OSHAS 18000 standards.

With the increased capacity, improved plant utilization and reduction in raw material transport

cost; this unit has become cost efficient and a high quality producer of fruit purees and concentrates.

The Company is a strategic supplier to Coca Cola system worldwide for supplying Mango Pulp/Puree and Concentrates. The 'Maaza' brand of Coca Cola Company is a brand leader in the fruit beverages category and continues to clock compounded annual growth rate of upto 30%.

iii) Opportunity & Outlook

India's Economic development has registered a growth rate of 8% over 2006-2010. Contributing to this flourishing economy is the agriculture sector, where productivity is showing an increasing trend. Keeping pace with the world production of Fruits and Vegetables the production in India has also grown and now accounts for 15% of world's vegetable production and 8% of world's fruit production. The focus has now changed from grains and cereals to fruit and vegetables owing to change in consumption pattern resulting in increase in demand for fruits and vegetables.

The fruit and vegetable processing industry is critical to fruit and vegetable sector. Although, the horticulture sector has grown by 10%, only just over 2% of the produce is processed, resulting in huge post harvest losses. Fruit and vegetable processing establishes the vital linkage between agriculture and industry. In order to sustain the growth in the economy, Government has realized the need to support this vital link and has been providing support to accelerate growth in the sector. The sector has seen exponential growth with demand for fruit juices, beverages, convenience foods growing by around 30% YoY.

The demographic profile of the consumers has been changing. With increase in disposable incomes and standard of living, the consumption pattern is shifting from basic foods to more healthy, convenience foods resulting in growing demand for processed food in general and processed fruits and vegetables in particular.

There is a marked shift in the International markets with emphasis being laid on wellness products and products having nutritive/therapeutic properties. There is also a shift from the usual products such as Citrus and Apple to more exotic products like Mango, Guava, and Pomegranate etc. which are increasingly being researched for their wellness aspects.

New markets such as China, Russia and Africa are opening up and the existing markets such as Middle East are moving up the value and quality chain.

With opening up of US and Japanese markets for fresh Mango, the taste profile is witnessing a change, resulting in opening up of these markets for processed products also.

The demand for tropical fruit purees and concentrates and processed vegetables is growing rapidly within India as well as in International markets. The new format stores have added a different dimension to the distribution and sale of products, opening up opportunities, hitherto nonexistent. The packaged juices/ fruit beverages have seen a growth of more than 30% YoY and the consumption of fruits and

vegetables as whole has shown an increase of 2.3% CAGR whereas that of cereals has decreased.

With a view to offer products with therapeutic values, the Company is working on offering products from Amla (Gooseberry) and Mangosteen in the International markets.

Company is also working on setting up a processing line for processing Mosambi, the most widely consumed juice in India and also other citrus varieties. The Company was successful in standardizing process and technology for these products, hitherto not processed in India.

Orange is the largest processed and consumed juice in the world. To be able to meet the growing demand for this juice within the country, the Company has drawn up plans to cultivate the processing variety of Oranges in India.

iv) Risks & Challenges

The biggest challenge in any agri processing business is the availability of required quantity of raw material at the right time and at the right price. The changing climatic conditions are adding uncertainty to the entire agri and horti sector with a year of plenty followed by severe scarcity. To mitigate this risk the Company is pro-actively working to expand its sourcing base and is promoting the concept of integrated development of agriculture and establishing backward linkages. The successful model of contract farming in Onion and integrated development in case of Banana is being extended to other fruit crops such as Mango, Pomegranate and Tomato. Company has successfully evolved the concept of 'Ultra High Density' plantation of Mango, which will revolutionise the mango growing, making it one of the most profitable crops for the farmers. The Company has also evolved a basic standard of good agricultural practices in association with IFC, called 'JainGAP', which has been recognised by Global GAP as the intermediary standard and is being implemented by the Company both in its contract farming program for Onion as well as contact farming program of Mangoes. This will result in higher productivity at the farm levels, better availability and price stability for the Company apart from taking in to account the concern of traceability to farm gate and health of the farmer and farm labour.

The other major risk is the ever increasing cost of energy. The spiralling fuel oil prices are not only mounting pressure on the processing costs, but also directly and indirectly increasing the cost of various inputs. The Company is utilizing its bio-waste to generate energy to offset these rising costs.

There are fiscal and non fiscal trade barriers in the form of multifarious certifications and import tariff's being put by importing countries which adds to cost.

d) PVC Sheets

i) Industry

Major markets for Company's products are Europe and United States of America. The market is divided into two segment; Sign & Graphics (S&G) and Building Materials Market (BMI)

In the BMI segment, Lumber the traditional building material was being replaced by PVC. The basic uses of PVC in BMI was in Trim, used as surrounds for

windows and garage doors, Corner Boards, Soffits and interior applications such as Wainscoat and Bead boards. The inherent qualities of PVC such as impervious to water absorption; protection against insect attacks and a life term warranty promulgated the product over traditional Lumber. Further, availability of good quality wood was a problem as resources were drying up and cost of processing was escalating.

The market is serviced by 7 manufacturers and some Chinese imports.

The S&G market has been using PVC sheets in manufacturing Sign and Graphic boards, Point-of Purchase displays and large print mediums. This industry has stayed with PVC for over 3 decades.

This segment is serviced by 5 manufacturers. Some China products have attempted to penetrate the market.

ii) Performance

This business has grown by 29.5% in current year. It accounted for around 5% of the revenue.

iii) Opportunity & Outlook

The economic downturn has resulted into some players exiting the market and others redefining their basket of offerings. This consolidation in the industry will benefit both the manufacturer and the end user. US housing market has started showing sign of recovery and is expected to come back on growth track, while signs are positive, nothing can be certain. We have introduced several new products to the market place: A digital print sheet for optimum print quality, sheet for the environmentally (EFS) conscientious market place which has been received well. We have started to get good response from domestic marketing expect it to grow in robust manner.

iv) Risks & Challenges

The economy has been slow and this poses a challenge. The unemployment rate is another factor adding to the uncertainty in the marketplace. However, other indicators such as the US stock markets show a reasonably healthy trend. Major corporations are showing profits and the Detroit car industry has shown a very healthy recovery. The market continues to adopt 'just in time' requirements and this has the manufacturers carrying the inventory burden. Housing statistics show an improvement but has been slow paced. The Company has modified its marketing strategy, which has resulted in current year surpassing several previous results. The trend going forward is cautiously optimistic.

6) Risks and concerns at corporate level

The Company has significant experience in managing risks related to farming, weather, seasonality, global markets, currency fluctuation and impact of government policy. During last few very volatile years, this experience and expertise has helped Company to navigate turbulent times in a smooth manner resulting in sustained growth, improved margins and increasing market share, despite historical financial meltdown and violent disruption of all types of global markets.

The risk management, inter alia, shall provide for periodical review of the procedures to ensure that executive management controls the risks through a

properly defined framework. The Company has identified the risks and their owners within the organisation and the following risks have emerged as the top 5 risks:

- Continuous fund requirement due to long receivables
- Seasonality in agriculture and monsoon
- Currency fluctuations
- Aggressive strategies of competition & mushrooming of many new competitors
- Integration and profitability of acquisitions

Continuous fund requirement: Challenges in managing cash to cash cycle (payment for procurement to collection for sales) needs continuous fund infusion. This results in increased long term capital requirements. This risk is especially relevant for a growth oriented Company and the kind of business Company operates in.

Seasonality in agriculture: Company's performance is also dependent on the seasonality in agriculture sector.

Currency fluctuations: Adverse changes in the exchange rates leading to erosion in export income. Also large amount of Company borrowing is in foreign currency. Therefore, adverse exchange rate movement of Rupee can result into notional profit or notional loss for mark to market accounting treatment.

Aggressive strategies of competition: The competition adopts aggressive strategies (large sales force, credits, products offered at multiple price points etc.) and competition from unorganised sector (aggressive pricing) results in pressure on sales/margins.

Integration of acquisitions: Inability to capitalize on the opportunities arising from the acquisitions due to sub optimal integration of the people, process and technology from the acquired entities is one of the risks associated with the recently completed acquisitions.

7) Analysis of the Standalone Financial Performance

a) Net sales

₹ in Million

Business	2011-12	2010-11	Change	Change %
Micro Irrigation Systems	18,842	16,914	1,929	11.40%
Piping Systems	9,063	8,630	433	5.00%
Agro processed Products	5,129	4,427	702	15.90%
Plastic Sheets	1,805	1,394	411	29.50%
Other Products	2,259	1,142	1,117	97.80%
Net sales	37,099	32,507	4,592	14.10%
Domestic	30,374	27,349	3,025	11.10%
Export	6,725	5,158	1,567	30.40%
Export to Total	18.10%	15.90%		

Sales excludes incentives

Net Sales on corporate basis has increased by 14.1% to ₹37,099 million vis-à-vis ₹32,507 million in the previous year. This increase in revenues primarily reflected increased sales of Micro Irrigation Systems, Plastic Piping Systems, Agro Processed products & Solar Systems

Our total domestic revenue increased by 11.1% in fiscal 2012 to ₹30,374 million from ₹27,349 million in fiscal 2011. The revenues from exports have increased by 30.4% in fiscal 2012 to ₹6,725 million from ₹5,158 million in fiscal 2011. Export sales accounted for 18.1%

corporate sales in fiscal 2012 as compared to 15.9% in fiscal 2011.

i) Micro Irrigation Systems : Revenues from domestic sales of our Micro Irrigation Systems increased by 8.7% in fiscal 2012 to ₹17,436 million from ₹16,047 million in fiscal 2011, primarily due to increased retail sales in States like Maharashtra, Gujarat and project sales in Rajasthan States. During the same period, exports of Micro Irrigation Systems increased by 62.2% to ₹1,407 million from ₹867 million mainly due to project sales in African continent and direct sales to overseas subsidiaries.

ii) Piping Products : Revenues from domestic sales of our Piping Systems increased by 2.5% in fiscal 2012 to ₹8,558 million from ₹8,349 million in fiscal 2011. The revenues from export of Piping Products increased by 79.9% in fiscal 2012 to ₹505 million from ₹281 million in fiscal 2011 mainly due to increased sales in African continent.

iii) Agro-Processed Products : Revenue from exports of Agro-Processed Products increased by 16.1% in fiscal 2012 to ₹3,117 million from ₹2,684 million in fiscal 2011 mainly on account of higher mango puree demand in our European & Middle East markets and onion dehydration from European market . Revenues from domestic sales of our Agro-Processed Products increased by 15.4% in fiscal 2012 to ₹2,012 million from ₹1,743 million in fiscal 2011.

iv) Plastic Sheets : Revenues from our Plastic Sheet products increased by 29.5% in fiscal 2012 to ₹1805 million from ₹1,394 million in fiscal 2011, mainly due to increase in sales in European, USA and local market.

v) Other products : Other product includes Solar Water Heating systems, Solar Photovoltaic Systems, Tissue Culture Plants and Agricultural products. Revenues from other products increased by 97.8% in fiscal 2012 to ₹2,259 million from ₹1,142 million in the fiscal 2011, mainly due to higher sales of tissue culture plants & solar products.

b) Operating Income

₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Incentives & Assistance	712	802	(90)	(11.2%)

Operating income includes accrued export incentives & assistance under VKYU Scheme & Transport Assistance Scheme of GOI for our agro processed products division and Mega Project incentive from Maharashtra Government.

c) Raw materials consumption

₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Polymers, Chemicals & additives, Fruits & Vegetables, Consumables, packing material, etc.	20,541	21,281	(740)	(3.5%)

Raw materials consumption decreased by 3.5% to ₹20,541million as compared to ₹21,281 million in the previous year mainly due to lower production in plastic segments. During the same period, polymer

consumption decreased to 199,244 MT from 217,506 MT representing an decrease of 8.4%; however in value terms the decrease is 4%. The consumption of fruits and vegetables has increased to 257,755 MT from 200,171 MT representing a increase of 28.9%, however in value terms, the decrease is 14.2% reflecting significantly the decrease in price.

d) Other Expenses ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Other Expenses	7,253	5,746	1,507	26.2%

Other Expenses increased by 26.2% to ₹ 7,253 million as compared to ₹ 5,746 million in the previous year, mainly due to the increased power and fuel and miscellaneous expenses.

e) Employees Benefit Expenses ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Employees Benefit Expenses	1,722	1,503	219	14.6%

Employee costs increased by 14.6% to ₹ 1,722 million as compared to ₹ 1,503 million in the previous year. The increase is mainly due to new employment. During the year 1,174 new associates joined the Company. Employee Cost as % of Net Sales is 4.6 %, the same as previous year.

f) Finance Costs ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Interest Expense	3,204	2,107	1,097	52.0%
Bank charges	420	257	163	63.8%
Loss on foreign currency translation	611	553	58	10.5%
Total	4,235	2,917	1,318	45.2%
Less: Interest Income	151	80	71	88.75%
Less: Gain on foreign currency translations	58	15	43	286.7%
Interest & Finance Charges (Net)	4,026	2,822	1,204	42.7%

The net Finance Cost increased by 42.7% to ₹ 4,026 million as compared to ₹ 2,822 million in the previous year, mainly due to long term loans raised for growth capex, increase in working capital utilization for growth as well as delay in subsidy disbursement by Government and increase in interest rate and also increase in loss of foreign currency translation. The overall finance cost is 10.9% in of net sales in current year as against 8.7% in previous year.

g) Fixed Assets ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Gross Block (net of disposal)	24,001	20,081	3,920	19.5%
Less: Depreciation	6,142	5,128	1,014	19.8%
Net Block	17,859	14,953	2,906	19.4%

Gross block increased by ₹ 3,920 million during the year, mainly due to expansion & modernization plan implemented across all divisions. In the current year we

have increased installed capacities in plastic processing to 568,470 MT as compared to 508,700 MT in previous year, in Food processing to 172,404 MT as compared to 159,789 MT in the previous year, substantial increase of 10 million plantlets in Tissue Culture and 2 million ltrs in Solar Water heating systems. New Capex has been financed out of long term loans and internal accruals during the current year.

h) Investments ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Investment in wholly owned subsidiary (WoS)	4,259	4,009	250	6.2%
Other Investment	48	24	24	100.3%

The increase of ₹250 million in investments is mainly on account of capital/loan infused in the WoS based in Mauritius and Netherlands. Increase in Other Investment is mainly on account of capital /loan to Sustainable Agro Commercial Finance Ltd. (SAFL) the NBFC.

i) Inventories ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Inventories	8,012	9,149	(1,137)	(12.4%)

The overall inventory has decreased by ₹1,138 million during the current year compared to previous year, is mainly on account of decrease in Finished Goods Inventory by ₹593 million and raw material by ₹613 million.

j) Trade Receivables ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Gross Receivables	20,458	14,980	5,478	36.6%
Less: Provision Doubtful Debts	172	162	10	6.2%
Net Receivables	20,286	14,818	5,468	36.9%

The increase in net receivable was 36.9% at ₹ 20,286 million compared to ₹ 14,818 million in the previous year mainly due to higher MIS sales and substantially higher than normal subsidy receivable from government.

k) Loans and Advances ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Loans & Advances	1,721	1,927	(206)	(10.7%)

Loans & Advances decreased by ₹ 206 million in Current year mainly due to decrease in advance for CAPEX

l) Current Liabilities ₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Current Liabilities	32,253	27,875	4,378	15.7%

Current Liabilities increased by ₹ 3,907 million to ₹31,872 million in current year from ₹ 27,875 million in the previous year mainly due to increase in short term borrowing by ₹2,834 million and trade payable by ₹808 million.

m) Long Term Borrowing

₹ in Million

Particulars	2011-12	2010-11	Change	Change%
Long Term Borrowing	9,979	7,640	2,339	30.6%

The Long Term Borrowing has increased by ₹2,339 million to ₹9,979 million in the current year from ₹7,640 million in the previous year. This is mainly due to new capital investment in Solar Power project and capital investment for expansion & modernization plan implemented across all divisions.

n) Shareholders Funds

₹ in Million

Particulars	Equity Capital	Preference Capital	Share Premium	Other Reserves	Retained Earnings	Share Warrants	Total
Balance as on 1 st April 2011	771.45	–	6,206.31	2,888.43	6,628.58	347.93	16,842.70
a) Changes during the year (DVR Equity Shares)	38.59	–	–	(38.59)	–	–	–
b) Conversion of FCCB	–	–	–	–	–	–	–
c) Conversion of Warrants	–	–	–	–	–	–	–
d) Adjustment for unrealized gain/ loss due to hedging derivatives	–	–	–	50.65	–	–	50.65
e) Adjustment for ESOPs	0.32	–	13.83	(0.01)	–	–	14.14
f) Redemption & Redemption Premium on Preference Shares & Debentures	–	–	–	–	–	–	–
g) Profits for the Year	–	–	–	–	2,682.99	–	2,682.99
h) Profit transferred to General Reserve	–	–	–	500.00	(500.00)	–	–
i) Dividend (incl. Dividend Tax)	–	–	–	–	(470.91)	–	(470.91)
Sub Total (a to i)	38.91	–	13.83	512.05	1,712.08	–	2,276.87
Balance as on 31st March 2012	810.36	–	6,220.14	3,400.48	8,340.66	347.93	19,119.57

^ Refer Note No. (2), (3) & (13b) of Notes to Accounts Schedule 22 (Part-B)

o) Dividend

₹ in Million

The Board has proposed to pay dividend on Ordinary Equity Shares and DVR Equity Shares @ ₹1 per share (50%) to all eligible Shareholders, subject to approval of Shareholders at the ensuing AGM. The dividend cash-outgo (including dividend tax) would be ₹471 million as against ₹450 million in the previous year. The dividend pay-out as percent of Net Profit works out to 17.55% as compared to 15% in previous year.

Particulars	2011-12	2010-11	Change	Change%
Preference Dividend	–	–	–	–
Equity Dividend	405	386	19	4.92

Note: The Management cautions that some of statements above are directional and forward looking and do not represent correctness of the underlying projections as they are dependent on various factors some of which may be outside control of management.

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