Jain Irrigation Systems Ltd.
Small Ideas, Big Revolutions®
Regd. Office: Jain Plastic Park, P.O.Box: 72, N.H.No. 6, Jalgaon – 425 001. India.
Tel: +91-257-2258011; Fax: +91-257-2258111; E-mail: jisl@jains.com; Visit us at: www.jains.com
CIN: L29120MH1986PLC042028

JISL/SEC/2020/03/B-2/B-6 04th March, 2020.

To,
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022-22721072 (Night)
Email: corp.relations@bseindia.com

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Bandra (East),
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Fax No. : 022-26598237/38
Email : cc@nse.co.in

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Code No. 570004 (BSE) & JISLDVREQS (NSE) for DVR Equity Shares.

Sub: Transcript – Q3 FY 2020 Earnings Conference Call.

Dear Sir/Madam,

We wish to inform you that transcript of Q3 & 9M FY 2020 Earnings Conference Call held on 18th February, 2020, at 03:30 PM, has been uploaded on the Company's website i.e. www.jains.com link for the transcript is given below for your reference and record.

http://jisl.co.in/temp/upfile/Jain%20Irrigation%20Q3%20&%209M%20FY20%20Transcript.pdf

Please take the above on record and acknowledge.

Thanking you,
Yours faithfully,
For **Jain Irrigation Systems Limited,**

A. V. Ghodgaonkar,
Company Secretary

Jain Irrigation Systems Ltd.
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Jain Irrigation Systems Limited

Q3 FY20 Earnings Conference Call
February 18, 2020 at 03:30 pm IST

MAIN SPEAKER:

- Mr. Anil Jain: Vice Chairman and Managing Director
- Mr. Atul Jain: Joint Managing Director

Moderator: Ladies and gentlemen, Good day, and welcome to Jain Irrigation Systems Limited Q3 and 9M FY '20 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karl Kolah from CDR India. Thank you, and over to you, sir.

Karl Kolah: Welcome, everyone, to Jain Irrigation Systems conference call for Q3 and 9M FY '20. Joining us today are Mr. Anil Jain, Vice Chairman and Managing Director; Mr. Atul Jain, Joint Managing Director of Jain Irrigation Systems; and Mr. Neeraj Gupta, who is the CFO of Jain Farm Fresh Foods Limited. We will commence the opening remarks with Mr. Jain, following which we will have a session of Q&A.

Before we begin, please note that some statements made on today's call could be forward looking in nature, and a note to this effect has been included in the presentation, which is made available on the company's website.

I would now like to invite Mr. Jain to give us a brief overview on the company's operations for the quarter and 9 months ended 31st December 2019 and the opportunities that lie ahead. Over to you.

Anil Jain: I would like to welcome all participants on the call to today's earning call. As you might have read or understood, this was not possibly the greatest quarter. In fact, it has been one of the weakest quarter in terms of earnings performance maybe in the last 2 decades, post 2002. Having said that, I think when you look at overall performance, the business in India has affected significantly. But overall, we as a company in this quarter, we did total revenue of about Rs. 13 billion or Rs. 1,300 crore, and that was much lower compared to the same period last year at about Rs. 20 billion.

Within standalone India business, last year, it was about 11 billion, and this year, we did 3.5 billion. So India business came down alone by two third, while the consolidated business has come down by about 35% as compared to current quarter. When we look at the 9-month consolidated performance, the revenue is almost at about Rs. 15.7 billion for India as against Rs. 31 billion. So India business is down more than 50% for the 9 months. And if you look at global consolidated numbers for the 9 months, they're at Rs. 45.7 billion as against last year Rs. 60 billion, so registering about 24% drop on a Y-o-Y basis compared to the same period last year in 9 months. So first 9 months, global consolidated revenues are down about 24%. Stand-alone India, 9 months, revenues are down almost by 50%. And in this particular quarter, consolidated is down by 35% and local was down by 65%. So that's the overall numbers in terms of the revenue. Overseas business is stable in terms of overall revenue numbers, while majority of reduction you see compared to the last year can directly, in fact, be allocated to India, where our operations have been significantly impacted due to the liquidity crunch which we are facing for last few quarters.

Lower number of revenue has meant lower production, less fixed cost absorption and end result is that we have much lower gross margin, which has resulted into the losses. While primary reason has been the liquidity crunch and attendant issues, which we have been facing, including the debt resolution process which is going on, etc. But also, December quarter was quite weak from the viewpoint that in India, especially the monsoon rain continued almost till November, mid to end November and unlike normally, they stopped in September. So our irrigation business, farmers will buy irrigation systems or we can go and install them in the field only when fields are dry and available, and that couldn't happen during that period of time. But as I said, majority reason has been the liquidity crunch and lack of enough working capital. But on the other hand, this factor also played the role for the result you see in India for the December quarter.

Overall, in terms of overseas business, Micro-Irrigation has been stable. Overseas Plastic-sheet business has been growing. Agro processing division did better in the current quarter in terms of revenue. As a subsidiary company, they had almost 20% growth in India business. And overseas businesses in certain subsidiaries grew between 20%-30%. Agro Processing division did well in this particular quarter compared to other divisions in totality. So when I go division by division in stand-alone, our Hi-tech Agri Inputs, which includes MIS, was down by 65% in revenue, our Plastic business was down almost by 72%. Overall registering 68% of reduction. And if you look at consolidated revenue, Hi-tech Agri Input was down by almost 42%, including India. Our Plastics business was down by 61% and Agro consolidated as a group grew 14.3%, so closer to 15% in that.

In terms of the order book, some of the earlier projects, which we have taken, they continue to stay with us because only part has been executed. Remainder, we still need to execute. So our order book position in India continues at about Rs. 27 billion. And at the consolidated level, it is at Rs. 43 billion. And breakup of 43 billion at consolidated level: irrigation or MIS, so tissue culture is about Rs. 24 billion; Plastics is about Rs. 7 billion; Agro is about Rs. 10 billion and others for Rs. 3 billion. That's the consolidated order book company has. Again, in terms of Q3, domestic business was about 81% and exports were 19% as far as India is concerned. And for globally consolidated business: Hi-tech was about 46%, Plastics was about 36%, and Agro was 16%. And if you look at consolidated breakup, rest of the world had higher revenue to almost 70% in this quarter, and India contributed only 30% to the total revenue. And other numbers, I hope you might have seen at the investor information, which we have provided.

In terms of working capital analysis, the days outstanding against sales, the DSO numbers, which we normally track, they have gone up substantially because sales amount have come down drastically, which we spoke about. So in terms of days, DSO, in September, I think global consolidated level inventory was 118 days, now it is 127 days, end of December while AR has been almost same level, 146 days in September, 148 days now. And, net working capital is almost at the same levels what it was earlier. We could achieve during this quarter certain amount of reduction in the receivables. Receivables were lower by almost Rs. 250 crore, and that is what you see reflected in the fact that DSO



for the receivables continues to remain at the same level. Our company's debt level also has not changed from September, very small marginal change, which has taken place. In September end, we were at Rs. 62.17 billion, and now it is Rs. 62.24 billion. So the debt has remained the same compared to September. So compared to, March, they had gone up in June and September, but now it has stabilized at this level. And we hope, as we move forward, as the performance improves over the next few quarters, debt will start coming down. And there is no big exposure to foreign currency as well when we look at the overall numbers for the company.

So while we have stabilized the debt number and we are improving on the absolute amount in terms of working capital, the next challenge for us in the current quarter is to improve the operations, especially in India. And overall, compared to, December quarter, month of January was better. And I think by end of February, we would kind of cover and come closer to the sales, which we achieved in December quarter. So whatever we do in month of March would be plus compared to, December quarter. So we expect 4th quarter to be a better quarter. And to the extent we have better revenue, better operations and better fixed-cost absorption; we should then reduce our losses accordingly. That's on the business front.

Now in terms of overall general business environment, our major raw material is polymers and polymer prices continue to remain at a lower level. And that should overall help us as we move forward, especially in terms of maintaining a little bit improved margins than last 2 quarters. We expect farmers demand to come back post all these issues with extra rains and loss of the crop for them, post the rabi income, which will come to them. And so we are looking forward to between now and June, which is a busy period at some better demand from the customers.

In terms of the overall government receivables, we have been able to bring down government receivables on the net basis. And I think June 2019 end, they were maybe close to about Rs. 1,800 crore under various level of exposure to the government. By December 2019 end, that amount was down to about Rs. 1,600 crore. And month of January, there is small amount of reduction. But in February and March, we expect further reduction. And this is on a net basis. That means whatever we are recovering, plus, including new business we do, combine, there is a Rs. 200 crore reduction into the government receivables, and we expect this process to continue.

Again, when we talk of the government dues and the Rs. 1,600 crore figure end of December, that comprises 4 different categories. One is the receivables we have, against specific integrated irrigation projects in irrigation division. We have water networking city distribution projects in the plastic piping division. Then we have solar pump projects, which we have taken across various states in India, solar water pumping projects. And fourth is Micro-Irrigation programs being run in certain states in the country like Andhra Pradesh, Gujarat and Telangana, and is called the MIP. The government provides the work order and releases all the funds, then that is also captured as a part of the government. So these are the 4 different parts, which comprise together to this level. And

approximately, when you look at the Rs. 1,600 crore breakups, this figure changes because it's a dynamic, where we sell something, we recover something and so on. But approximately, about Rs. 800-odd crore is related to MIS projects, Rs. 300-odd crore is related to the piping projects, about Rs. 300 crore to 400 crore for Micro-Irrigation state-mandated individual projects and about Rs. 200-odd crore is linked to the solar projects. And that is what should total about Rs. 16 billion.

We think we have fairly good control and handle on all these projects now. And since June, we have not taken any new projects. We are reducing our exposure to that sector. And overall, every quarter, you would see that on a net basis, this number will keep going down. That means, even if we do additional billings, either to complete the remainder of projects or to maintain our market share or to continue the business opportunity we get within these 4, we will ensure that our collections and receivables are far more than the new business, which we do. And that's the only way we will be able to bring down receivables. And as I said, from the March quarter, these receivables coming down would help us to start impacting the working capital debt, which we have. So we are engaged into that type of scenario, and we will continue to work on the same.

This has not been the easiest period to run the business. We have had challenges with various stakeholders because of the perceived. We are facing real challenges due to this.. We have continued to maintain our engagement of all the stakeholders. We have had a lot of close interaction with our dealer community to maintain that 30-40 years old bond, which we have. We have been continuously engaging with our associates or the people who are working inside the company. We have been constantly in touch with the lenders, especially in India. And we have also been in touch with some of the overseas lenders we have at some different level.And that way, we have maintained the engagement. And we feel that as we improve our financial position, we should get back into the market place in terms of the brand relationship building with the dealers, our own associates who are working inside the company. Most of those relationships are still intact. Of course, there is some amount of stress because of what is happening. It's painful for everybody for last 1 yearBut we continue to remain engaged, and we believe, we have a genuine purpose; we have sincerity; we are working hard. And over a very long period of time for all our stakeholders, we have created enormous value. We hope that we will be able to maintain all of those relationships going forward as we rebuild the business first to the level of normalcy in terms of operations. Second, we are trying to eliminate the losses as soon as possible. And third, thereafter, with a sustainable debt, you start moving towards improving the revenue of the company and then the underlying earnings of the company. So that is a trajectory we are focused on.

I believe, all of us are committed to it. We recently had one single meeting engagement with almost, 7,000 of our associates here in India. And all of them voiced their positive support for the company, despite the fact, some delays in the salary payments to them. They are willing and committed. We have had also good engagement with the farming community recently at 3-4different



forums. Some of these farmers are suppliers of things like onion and bananas to us. Some of these farmers are our direct customers for irrigation. We are also engaging with our dealers. And for example, we have made a change in state of Maharashtra, where earlier, we used to provide in Micro-Irrigation business, longer credit to the dealer in terms of trade terms of 90 days or 120 days. But in last couple of months, we have instituted a new policy where we are doing business only as long as we get the cash. And that implementation has been done and we have received good support from our dealer community. In fact, I'm happy to state, the amount may not be large, but we have received almost Rs. 50 crore advances from these dealers towards buying the material. So that shows that their vote of confidence into the company, which is very important at this point of time.

And during this period, I talked about why revenue growth was low, either because of liquidity issues or because of the rain, but also third was that we decided not to pursue businesses which would have a longer credit cycle in terms of receivables. So some of the polyethylene pipe businesses we have, we decided to remain focused only on the customers who would be willing to provide as a letter of credit or willing to provide cash terms or advance and so on. So part of the reduction in revenue is by our own choice because we do not want at this point. We do not want to and we are not able to provide any new credit or increased receivable. The idea is to continuously decrease receivable. It doesn't matter for a quarter or two , we might have a loss or low revenue. But ultimately, the idea is as soon as possible, we create a new business model within the company, which has a lower working capital, more sustainable debt and thereafter a more sustainable growth going forward.

So these have been the issues around finance and business. Now in terms of debt resolution plan, which is going on, we are currently engaged with all the working capital lenders in India as well as the term lenders. The process is going on. We have had 4-5 at different level meetings between core committee of the lenders as well as the larger consortium plus individual engagement with all the lenders to discuss the proposed resolution plan. Maybe in about 2 to 3 weeks we should reach to some level of consensus amongst the lenders, the company, the adviser, consultants, everybody, entire ecosystem that we have agreed resolution plan, which can then move forward and go to the individual boards of the various banks for their approval. As we interact with these lenders, unless the final plan is presented, nobody would be able to say that, yes, they have full support for such a plan. But at least the direction which we are going, we have a broader support. The details, which have been discussed, generally, there seems to be an agreement, but one has to wait for next few weeks before one can say with definitiveness that this plan has been agreed, and this still needs to go to the various board committees. So one has to wait till then. But I would say that in terms of direction in which we are moving, it's right. Everybody is participating in the process and we are engaged almost with everybody in totality on this.

As bankers pursue the process of finalizing resolution plan, they are also conducting various analysis, audits, information flow, so that the entire plan, not only is about the future, but all the current scenarios, current assets of the



company, all get actually checked upon and values have been deduced, etc. So that's all going on. So there is a large amount of engagement with multiple agencies, auditors, valuation entities, techno-economic evaluation agencies, all that is going on right now as we speak. It's a fairly extensive deep dive process, but I think we are coming towards the end of that process. Again, we expect in the next maybe 2 weeks to 3 weeks, most of the reports from all agencies should be in place for us to move forward.

So that's with the debt resolution plan. So everybody is engaged. We are moving in a direction with a commitment to try and get this done before end of March. That's everybody's commitment, everybody is working hard. The process is never easy because there are multiple flow of information is required. There are multiple amounts of lenders and company is also trying to revive the operation, to maintain engagement with all the stakeholders and also fulfill all the requirements and needs of the lenders. So that's what we are committed to, that's what I believe all lenders are committed to, and that is where we are moving forward in terms of the debt resolution plan, which is in place. Overall, we, as a company, are also trying to see that some of the effort which we do in terms of the launching of the new products, etc. is continuing. For example, our tissue culture division has been doing a lot of work on potato seeds, which has scarcity and possibly good market, and we've been working for the last 2 to 3 years. We have banana or banana tissue culture, pomegranate, strawberries are good product, but potato could be a big one to be added. So on the business side, as a management; we are continuously trying to do that. While we are going through this lean patch, lower sales and losses, we are still remaining focused on continuing to create value so that we will create new and more profitable revenue streams going forward, which would have less focus on the government, but more focus towards direct engagement with the end consumer. And whether that is selling more drip irrigation directly to the farmers by dealers and creating more dealers network, whether that would mean selling some of our process products straight to the consumer or developing the new range of using biotechnology, planting material and stuff like that, which again improves our engagement with the farming community. So that also is being continued by the company.

Meanwhile, as we have informed the market earlier, we continue to remain engaged on deleveraging. And while some of the deleveraging over a period will happen through improvement in working capital, but the larger amount of deleveraging would only come through either sale of surplus assets or bringing equity into the businesses or sell part of the businesses, or combination of these, depending on where the businesses are etc. As we have said earlier, we have appointed a couple of investment bankers to help us in this process. One process, which has been running for the last few months, is linked to our overseas Micro-Irrigation business, which has been progressing quite satisfactorily. We are engaged with a few international investors. They are doing the due diligence. And once the due diligence gets completed, between now and month of March 2020, so during this period of time, next few weeks, we should receive from them some concrete indications. And then at that point of time, then one can take a call how to move forward, whether it's in terms of valuation, in terms of structuring, in terms of the total fund availability, one

needs to wait and watch, one needs to let the investors go through their due diligence in a complete manner, in a satisfactory way before we need to engage with them into that next level.

So we continue to remain focused on that process. But I would not like to make any comment as of now, as we speak in terms of exactly time-line. Let's wait till next call or till month of April, by which we should have much better clarity on that. Also we have continued to make efforts to see investor interest into other businesses, like whether it's in food business or other overseas plastic businesses. And there, we continued to get good level of interest, but a lot of investors would like to wait for a month or two to see that the parent resolution is in place before they start committing to the valuation, the fund, the process because they would like to have that certainty or security in their mind that before they invest into subsidiaries, company has been able to get the parent level debt resolution in place with clarity in terms of role of the lenders, what is going to happen in the future. And then they would be willing to commit their time and then eventually the cost. But generally speaking, there is an interest. And at right time, post resolution, we can revive those engagements to try and make things move forward in a time-bound manner to achieve larger target. In June 2019, we said Rs. 2,000 crore but when we talked on September 2019 earnings call, we said we want to increase to almost Rs. 3,000 crore and we have said about 12 months to 18 months at that point of time. And these steps which we have taken, and as the parent resolution is in place, as things come back, the stability to current level operation, I think we'll be able to move at a faster pace to achieve some of these objectives.

So the good part is that we continue to get good response from investors. They think these are valuable assets that the underlying businesses have unique proposition. We have a certain level of scale. We have very good product line. The issues which concern the investors have been what's happening with the parent and the resolution. And the second part is general perception, rumors or whatever goes on, and we are engaging with them to bring clarity to them about some of these issues. So this is where we are, as we speak, in totality. And we remain, positive about the outcomes of both the resolution at the parent as well as our ability to deleverage. And as soon as the resolution is in place, we should be able to ramp up the operations in India and bring back that business in the near future to neutrality so that we have no losses anymore. And then during the next year, bring back the overall operations to profitability on one hand and meanwhile achieve the deleveraging so that then we don't have to worry about next 5 to 10 years in terms of sustainable business model or sustainable growth going forward, also, to on free cash flow. In fact, in this quarter, despite the fact that this has been, as I said, one of the worst quarter in terms of earnings for us and also the lowering of the revenue, but we had Rs. 15 crore of free positive cash flow this quarter. Because of the reduction in inventory and receivables, we have been able to improve the cash flow. But part of that has gone into funding these losses and so on. But we did create a Rs. 15 crore positive free cash flow in this quarter. So that is an indicator of how we expect things to move going forward, and is also in our focus coming year.

Meanwhile, all our stakeholders, due to this current situation, have continued to kind of suffer. Everybody has participated in some level of pain. Of course, shareholders have also suffered maximum erosion and the value because of the prices of shares. The bankers have not been getting their dues or their interest in time. Our vendors have been delayed or our salaries were delayed. So again, I want to apologize to all the stakeholders for the situation. As I said previously also, partly the situation was beyond our control, the way things have evolved in India over the last 12 months to 15 months, but that is no excuse. We didn't have enough cushions, and now we are trying to build a business model where we will have cushion. And even during this period, we have been working hard. We have been engaged. As much one could have foresight, we have taken all those precautions. And because we have taken those precautions and we remain engaged and we are fully hands on, we believe while current pain is considerable and very intense, but as some of these things get resolved, thereafter, we should also come back stronger and sooner. So that's the overall scene, that's the overall sense and the entire Board of the company is committed. The Board has also appointed a subcommittee to remain focused on these issues on a daily/weekly basis in terms of deleveraging the resolution, whatever it takes. So that the Board level also, all independent directors of the company are fully engaged. Their belief and faith in the company, it's a business model. It's positive impact in general, in India or agriculture, in particular, remains there. And all of us at the Board level, at the management level, at the associate level, believe we are in the right path to get out of the current quagmire type of scenario, which has been existing for the last few months.

I would not say I have seen green shoots, but the fact that upcoming March quarter will be better than last June and December quarter would be definitely helpful. And the fact that we have been able to manage overall cash such that we generated free cash flow that is positive. Continued support and understanding from our lenders and banking community also has been quite extraordinary. And I must put my appreciation; we have been in long relationship with all of these people. But current environment and the financial architecture in India has gone through dramatic change. Though, we are also clear that vis-à-vis with all our lenders that we want to ensure that everybody will get their dues back and company will come back to normalcy as soon as possible, and that's our commitment to our lenders. And eventually, as all of these things happen, then shareholders values also come back. Partly, the process is confidential in terms of the way we are dealing with the lenders and what is happening during that forum as required by RBI under ICA. Partly the process when we are dealing with investor likely international investors into businesses, that process also remains sensitive and confidential. So on this kind of a public call and communication; we cannot share more than this. But all I can share with you all these efforts we are making, we will remain committed. I believe we are in the right direction. And while, in short term, there has been pain, especially losses in the last September and December quarter, things will move forward and positive, that's my belief. And every single day, we come back to work with that belief to start delivering again in terms of value creation for all stakeholders.

So this is where we are. Again, we want to especially thank the shareholders, the investor community, the analysts and whoever else who are there, who are still continue to remain interested in the company and its future. Because during such period of time in the swirl of rumors and everything, there's so much negativity gets created in the ecosystem that sometime one can lose faith in what it really is. My father again started business in '63. Jain Irrigation has been there since 1988 as a listed entity. We are committed to see that this business continues to remain a viable business, and we have the necessary assets, underlying intrinsic business, unique value. Our company's net worth, even after all these losses, end of December continues around more than Rs. 4,000 crore. And that kind of net worth shows you that the company has a lot of good, not just intrinsic value, but the book value at In fact, at stand-alone net worth of the company is at Rs. 4,400 crore and at consolidated level is at Rs. 3,900 crore. So that is definitely positive. And a lot of these assets are productive. There is still, to use colloquial language, there's still a lot of juice out there in those assets where we can continue to create value for tomorrow.

So it's almost 50 minutes. I would like to thank again for your patient hearing. And if there are a couple of more questions, one or two questions, we'll be happy to take those. Thank you.

Moderator: Thank you. The first question is from the line of Devansh Nigotia from SIMPL. Please go ahead.

Devansh Nigotia: Sir, my question is, it's relating to a data point, if you can share. Can you share the project and retail mix of our MIS business for 3 months and 9 months, this year and last year, Y-o-Y?

Anil Jain: I don't have that number breakup with me, but we can share with you. We can send you on an email. But there is hardly any project business during these 3 months, a very small amount. Mostly, whatever you see, what business we have done would be the retail business and some exports. The MIS India business is almost Rs. 200 crore we did, while last year was Rs. 600 crore. But this year, I would say almost negligent, very nominal; if at all would be the project business.

Devansh Nigotia: Okay. In our agri pipe business, are we still in it? Or I mean, how we are looking at things? Since you have mentioned that now we are not giving credit to our dealers and distributors against an erstwhile when you used to give 90 to 120 days. So I mean, how are we really looking at that portion of business, if you can just share your strategy? And how are things happening on ground?

Anil Jain: So the pipe business, when we sell to the farmers in agriculture, that has always been a business where we get advance from the dealers. It has always been like that. What I said is that now even in Micro-Irrigation business, we are pursuing that strategy in a state of Maharashtra, and it is doing well, and I'm very thankful for our dealers to agreeing to that strategy. So pipe business in agriculture side, always cash and carry type of business, always good. Now we are trying to bring that to MIS also. The business which we did not take during the quarter, for example, if there was an institutional business for polyethylene



pipe, where they say, "We will pay you after 120 days." We simply did not have that ability, and we decided not to take that business at this point of time.

Devansh Nigotia: Sir, can you share how much business you have done in agri pipes for 3 months, 9 months and year-on-year?

Anil Jain: So overall, when we look at the piping division, again, it has institutional, agriculture, water, irrigation, all 4. I can give you offhand number breakup. But overall, when we say PVC pipe business for the third quarter as I said, overall piping is down by about 60%, right? So that would have that level of impact on that business. So it was almost about 52% lower in totality.

Devansh Nigotia: Which is the plastic segment, right?

Anil Jain: Yes. Part of the plastic. You are talking of more of the ag type of pipes, right?

Devansh Nigotia: Okay. So I mean, agri is a subset of the plastic segment, which we disclosed segment?

Anil Jain: Again, agriculture has two, right? So pipe has two, one is institutional polyethylene and then PVC. And within PVC, there is also ag side and others. So at least, that data is not available, but if you have specific interest, we can share that.

Moderator: Thank you. The next question is from the line of Sudhir Bheda from Right Time Services. Please go ahead.

Sudhir Bheda: Sir, I was just hearing your 50-minute speech. And I observed that whenever there is a problem in the company, this kind of problem, management never comes and give such a detailed presentation before investors. So thank you, sir, for that, and we appreciate a lot for this. Sir, just as an investor, I just wanted to have a clarity on which side we are working to enhance the value? One side is you are trying to sell the Micro-Irrigation business overseas, that's what I got it from your speech. And some other division also, you are looking at like food processing or maybe pipe division or something like that because it's more than Rs. 6,000 crore, debt has to be reduced, you need to sell one of the divisions. So how you are looking at?

Anil Jain: So as I said, we want to bring down the debt by about Rs. 3,000 crore, right? Now to be able to bring down the debt, some amount will come from these long receivables, which have been there, right? And so that much of reduction happens for working capital. Second, there are three or four other options in terms of bringing down the debt. And one is overseas MIS business; one is we have other overseas businesses like plastics business, which we have in Europe and U.S. We have a food processing business in India. We have some surplus assets within the main business company in India. So there are multiple ways one can raise equity, sell assets or sell minority stake and raise funds apart from the working capital improvement to try and achieve this number of Rs. 3,000 crore. This is a dynamic process. One cannot say this will achieve this and this will achieve that, while we have certain markers going forward. But it is

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important to know that we are definitely committed to this process because to carry this level of debt is not sustainable. Underlying asset value continues to be good, we are looking at our balance sheet size today also, it's about Rs. 13,000 crore balance sheet size. So we are trying to reduce the debt by Rs. 3,000 crore. So it is definitely feasible. While underlying business has impacted quite intensely today, we have losses, which we never had these kind of losses ever before. So there is that negativity in the ecosystem; we admit to that; we recognize that. But once you know that what the problem is, it is easier to solve. So I believe over a long period of time, we have built really good businesses. They have scale. They have quality. They have a good product portfolio. We are caught into a solid liquidity crunch right now since last few quarters. We are trying to address that. But while we are trying to address liquidity crunch, we are also taking this opportunity to rebuild our business model for a much better future between 2020 and 2030, let us say, going forward. So I believe we have 12,000 people working in the company, are committed to deliver on that going forward. Let's wait for a few more months to get more concrete details out.

Sudhir Bheda: Do you have any pledge on the shares coming into the market?

Anil Jain: No, not at all.

Sudhir Bheda: Okay. So no scare as far as pledge shares coming to the market, right?

Anil Jain: No.

Moderator: Ladies and gentlemen, that was the last question. I now hand the conference over to the management for their closing comments.

Anil Jain: I would just, again, like to thank everybody, all the stakeholders, including investors. And also, there has been this issue linked to the bonds, which has also been in the market about the interest payment. Company, as we have informed the Singapore Stock Exchange, we are working with the lenders to see that, that interest payment should be made. As we have already announced, that process is going on. And we are also creating a mechanism now to deal and engage with the bondholders separately. That process is also being initiated by the company at a different level. So that is what it is for today. Thanking you again, and I look forward to continue talking to overall all the investor community as and when something concrete happens or we have something worth sharing. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Jain Irrigation Systems Limited, that concludes today's conference. Thank you for joining us and you may now disconnect your lines. Thank you.

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