

Jain Irrigation Systems Ltd

Jain Irrigation v/s Netafim India: An Enquiry into Relative Capital Efficiency. Cut PT to Rs125.

- **Jain Irrigation v/s Netafim.** We compare capital return ratios for JI's micro-irrigation business with Netafim Irrigation India (one of the large privately held micro-irrigation player in India). **In the growth v/s capital deployment trade-off, Netafim appears to have fared much better overall.** While JI has larger scale and better margins, it employs significantly higher capital to generate similar levels of profitability. Our key conclusions are enumerated below:

1. **ROCE:** JI's micro-irrigation business generated 16.8% ROCE, significantly lower than 30.7% ROCE for Netafim India in FY10. Decomposing the ROCE, we find JI's generating better margins, but significantly lower capital turnover compared to Netafim.
2. **Margins:** JI's micro-irrigation business generated EBIT margins of 19.7% v/s 13.5% for Netafim in FY10.
3. **Fixed Asset Turns:** Fixed asset turns for JI's micro-irrigation business has ranged between 2.7x-3.2x over past 5 years, Netafim has sweated its fixed assets better at 4.3x-5.4x range over a similar period.
4. **Operating Cycle:** Operating cycle for JI's micro-irrigation business has been 145-205 days over past 5-yrs compared to 60-65 days for Netafim India. Jain Irrigation's receivable days of 148 days are significantly higher than 69 receivable days of Netafim (FY10).

- **Stock re-rating difficult in absence of more disciplined approach to capital deployment:** In our view, for the JI stock to re-rate from here, it will have to demonstrate improved discipline in capital deployment. We believe that besides improving its receivables cycle (necessary, but not sufficient), JI also needs to demonstrate better fixed asset sweat, lower capex intensity and divestments of unrelated ventures like plastic sheets.

- **Cut PT to Rs125, maintain UW.** We cut EPS estimates for FY12E/FY13E by 14%/12%, factoring lower micro-irrigation sales in FY12E on account of a good monsoon, and higher interest. Our EPS estimates are 16%-18% below consensus; we note consensus estimates for FY12/13 have trended down by 15%/13% over past 2 quarters. We thus cut our PT (Sep-12) to Rs125 from Rs165 now based on SOTP (valuing each business segment on EV/EBITDA). Key risks to our thesis include higher micro-irrigation growth, increase in govt. subsidy, improvement in receivables and turnaround of overseas subsidiaries.

Jain Irrigation Systems Ltd (Reuters: JAIR.BO, Bloomberg: JI IN)

Rs in mn, year-end Mar	FY09A	FY10A	FY11A	FY12E	FY13E
Adjusted EPS (Rs)	4.56	4.98	6.83	7.46	9.71
EPS growth (%)	7.9%	9.2%	37.0%	9.2%	30.3%
Adjusted P/E	28.9	26.4	19.3	17.7	13.6
Revenue (Rs mn)	28,700	34,200	41,528	47,876	55,903
Revenue growth (%)	29.5%	19.2%	21.4%	15.3%	16.8%
EBITDA (Rs mn)	5,132	5,937	7,659	8,682	10,236
EBITDA margin	17.9%	17.4%	18.4%	18.1%	18.3%
Net Profit (Rs mn)	1,294.4	2,475.9	2,807.2	2,860.2	3,720.5
DPS (Rs)	0.61	1.07	1.05	1.31	1.71
Dividend Yield	0.5%	0.8%	0.8%	1.0%	1.3%
EV/EBITDA (x)	19.9	17.6	14.5	13.1	11.3
P/BV (x)	5.3	4.1	3.2	2.8	2.4

Source: Company data, Bloomberg, J.P. Morgan estimates.

Underweight

JAIR.BO, JI IN

Price: Rs131.65

▼ **Price Target: Rs125.00**
Previous: Rs165.00

India

Mid-Cap

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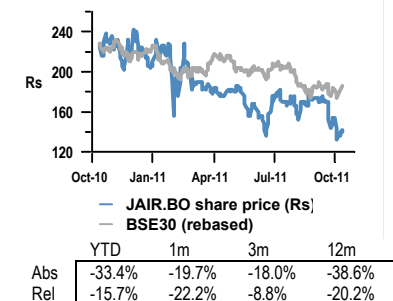
Dinesh S. Harchandani, CFA

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J.P. Morgan India Private Limited

Price Performance



Company Data

Shares O/S (mn)	386
Market cap (Rs mn)	50,802
Market cap (\$ mn)	1,036
Price (Rs)	131.65
Date Of Price	18-Oct-11
Free float (%)	64.4%
3-mth trading value (Rs mn)	227.3
3-mth trading value (\$ mn)	4.6
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See page 10 for analyst certification and important disclosures, including non-US analyst disclosures.

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Company Description

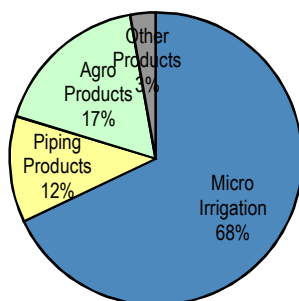
Jain Irrigation Systems Ltd. manufactures micro-irrigation systems, plastic pipes and plastic sheets, as well as processes vegetables and fruits in India. It is the second largest manufacturer of micro irrigation systems in the world and offers a range of products including drip irrigation systems, sprinkler irrigation systems, valves, water filters, green houses.

P&L sensitivity metrics

FY12E	EBITDA impact (%)	EPS impact (%)
Domestic MIS revenue growth	21%	
Impact of each +10% increase	3%	5%
International MIS revenue growth	5%	
Impact of each +10% increase	1%	2%
MIS EBITDA Margin	21%	
Impact of each +1% increase	3%	6%
Piping products EBITDA Margin	10%	
Impact of each +5% increase	1%	2%

Source: J.P. Morgan estimates.

FY2012E EBITDA by segment



Source: J.P. Morgan estimates.

EPS: J.P. Morgan vs consensus

Rs	J. P. Morgan	Consensus	vs. Cons
FY12E	7.5	9.1	-18%
FY13E	9.7	11.6	-16%

Source: Bloomberg and J.P. Morgan estimates.

Table 1: JI vs. peer group

	EBITDA Margin		EV/EBITDA		P/E		P/B		ROE	
	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E
JAIN IRRIGATION SYSTEMS LTD (JPM est)	18%	18%	10.3	8.7	21.1	16.2	3.3	2.9	17.1	19.1
SINTEX INDUSTRIES LTD	19%	19%	4.8	4.1	5.8	4.7	1.1	0.9	20.8	20.9
FINOLEX INDUSTRIES LTD	12%	13%	5.8	5.3	7.5	6.7	1.2	1.0	16.4	16.9
SUPREME INDUSTRIES LTD	15%	15%	6.3	5.1	10.6	8.3	3.4	2.6	36.5	36.4
UNITED PHOSPHORUS LTD	20%	20%	5.1	4.5	8.8	7.5	1.5	1.3	19.1	19.3
ADVANTA INDIA LTD	15%	16%	10.5	8.6	31.4	14.3	1.4	1.4	5.4	9.7
KAVERI SEED CO LTD	24%	24%	8.9	8.0	11.1	9.7	2.8	NA	26.8	24.1
BAYER CROPSCIENCE LTD	12%	11%	12.2	11.5	18.9	16.9	4.0	3.4	NA	NA
REI AGRO LTD	17%	18%	7.4	5.9	10.5	6.6	1.3	1.1	NA	NA
KRBL LTD	16%	17%	5.7	4.8	4.8	4.3	0.8	0.7	18.5	18.4
RUCHI SOYA INDUSTRIES LTD	3%	3%	8.1	7.4	13.5	10.9	1.4	1.2	11.1	12.1

Source: Bloomberg Consensus estimates for non-rated companies. J.P. Morgan estimates for Jain Irrigation and Sintex. Valuations as on COB 17/10/2011.

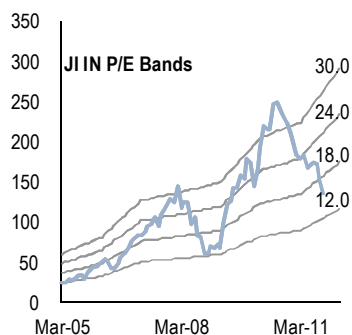
PT and valuation analysis

Our Sep-12 price target of Rs125 (previous Mar 12 PT of Rs165) is based on SOTP valuation, valuing the micro-irrigation business at 8x FY13E EV/EBITDA (in-line with domestic agri-input companies), pipes business at 5x FY13E EV/EBITDA (in-line with domestic pipe manufacturers) and the food processing business at 6x FY13E EV/EBITDA (in-line with domestic agro-processing peers).

Key upside risks to our recommendation and price target include adoption of MIS in canal-irrigated and cereal growing areas of North-India, increase in govt. subsidy and faster than expected turnaround in overseas business.

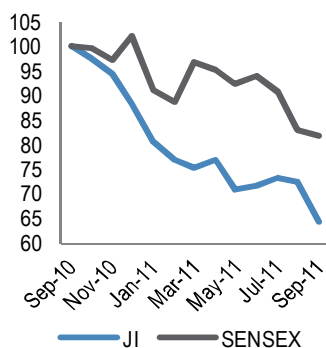
Any material stock re-rating demands more disciplined approach to capital deployment

Figure 1: JI P/E bands (x)



Source: Company data, J.P. Morgan estimates

Figure 2: JI vs. SENSEX performance (Base Oct: 2010)



Source: Bloomberg

Jain Irrigation stock has de-rated significantly over the past 12 months on rising concerns on deteriorating receivables and inability to generate free cash flows. According to the Jain Irrigation management, a large part of the receivables problems is on account of delays in subsidy payments from various state government agencies. While Jain Irrigation has undoubtedly built a strong market leadership position in the domestic market, it has come at the cost of significant capital investments, and low returns on capital.

We have compared Jain Irrigation's capital returns for the micro-irrigation business with Netafim India, which is a private and amongst the largest micro-irrigation players in India. While Jain Irrigation has demonstrated higher operating margins compared to Netafim India, its asset sweat has been significantly lower compared to Netafim. Summary of our analysis focusing on comparative capital return drivers for JI and Netafim is enumerated below:

1. **Jain Irrigation's micro-irrigation business generated 16.8% ROCE v/s 30.7% ROCE generated by Netafim India in FY10.** Decomposing the ROCE, we find JI's generating better margins, but significantly lower capital turnover compared to Netafim
2. While Jain Irrigation's micro irrigation business delivers better operating margins compared to Netafim, it employs significantly higher capital to generate the same amount of profits.
3. Fixed asset sweat for Jain Irrigation's micro-irrigation business has ranged between 2.7x-3.2x over past 5 years, which does not compare favorably to 4.3x-5.4x range demonstrated by Netafim over similar period.
4. Operating cycle for Jain Irrigation's micro-irrigation business has been 145-205 days over past 5 years compared to 60-65 days for Netafim India.
5. Jain Irrigation's current receivable days of 148 are significantly higher than 69 receivable days of Netafim (available for FY10).

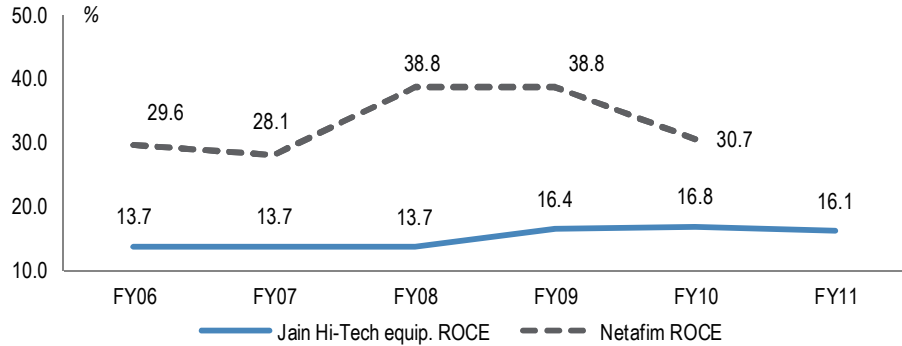
We conclude from our analysis that while Jain Irrigation has managed to scale up faster and garner a significantly higher market share compared to Netafim India, its quality of growth has not matched up. Higher growth and margins for Jain Irrigation's micro irrigation business have come at the expense of what we believe has been lax capital discipline. Additionally, investments made by Jain Irrigation in unrelated businesses have further strained its capital return profile.

In our view, for the Jain Irrigation stock to re-rate from here, management will have to demonstrate improved discipline in capital deployment. That does not entail simply improving the receivable days (which is necessary, but not sufficient in our view), but also demonstrate a better fixed asset sweat, lower capex intensity and divestments of unrelated ventures like plastic sheets.

Jain Irrigation vs. Netafim India: Decomposing Capital Returns

Netafim’s Return on Capital Employed is more than 2x compared to Jain Irrigation, despite significantly larger scale and higher market share for Jain.

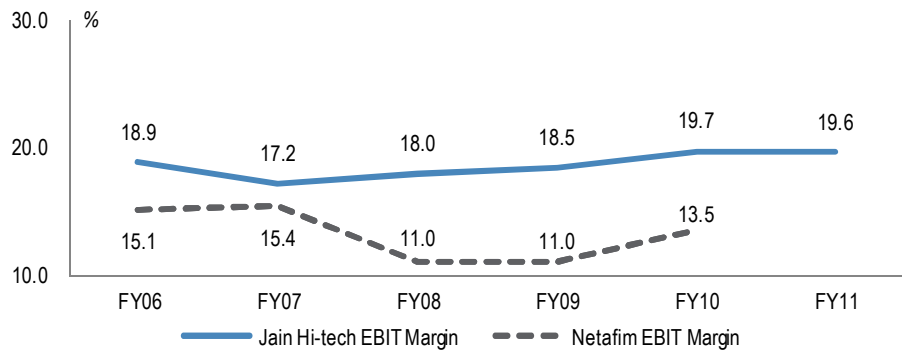
Figure 3: Jain Irrigation MIS ROCE vs. Netafim India ROCE (%)



Source: JI Annual Reports, Netafim Annual filings with MCA; Note: FY09 for Netafim is for 15m period on account of year end change from Dec to Mar

Jain Irrigation generates higher EBIT margins compared to Netafim, but this comes at the cost of significantly higher capital deployment

Figure 4: Jain Irrigation MIS EBIT Margin vs. Netafim India EBIT Margin (%)



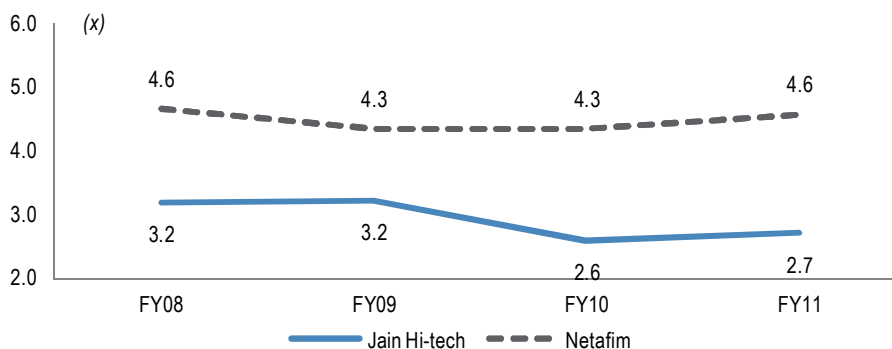
Source: JI Annual Reports, Netafim Annual filings with MCA; Note: FY09 for Netafim is for 15m period on account of year end change from Dec to Mar

Netafim has consistently demonstrated better fixed asset sweat compared to Jain Irrigation's micro-irrigation business. We note that Jain Irrigation has continued to add capacity despite low utilization levels - its micro irrigation business had 52% capacity utilization in FY10, despite which it increased its total micro-irrigation capacity by 33% - capacity utilization levels in FY11 declined to 48%. JI annual report notes that optimum capacity utilization for micro-irrigation is 70%-80% on account of seasonality

Jl's cash conversion cycle has ranged between about 145-206 days over past 5 years, v/s Netafim that has demonstrated cash conversion cycle of 60 days. We believe that Netafim follows a more disciplined approach to growth, focusing on collections and deployment of working capital

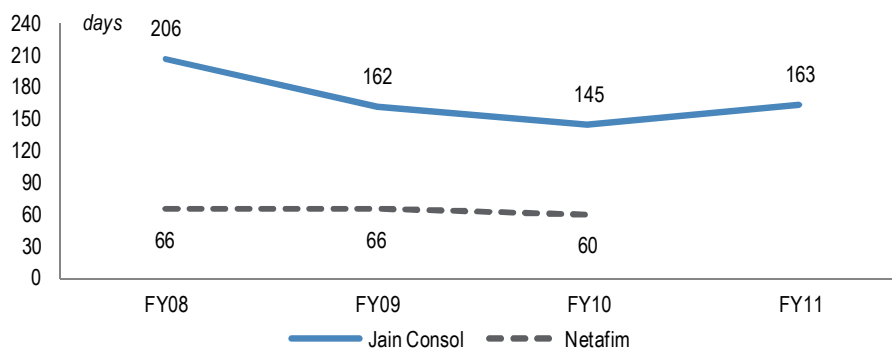
Jain Irrigation management have recently stated that their domestic micro-irrigation business receivable days stand at over 325 days - a stark contrast to Netafim's 69 days in FY10. We note that over past few years, Netafim has managed to reduce its receivable days from 140 days in FY06 to 60-70 days over past few years, while receivable days for JI have moved in the opposite direction

Figure 5: Jain Irrigation MIS vs. Netafim India – Fixed Asset Turnover (x)



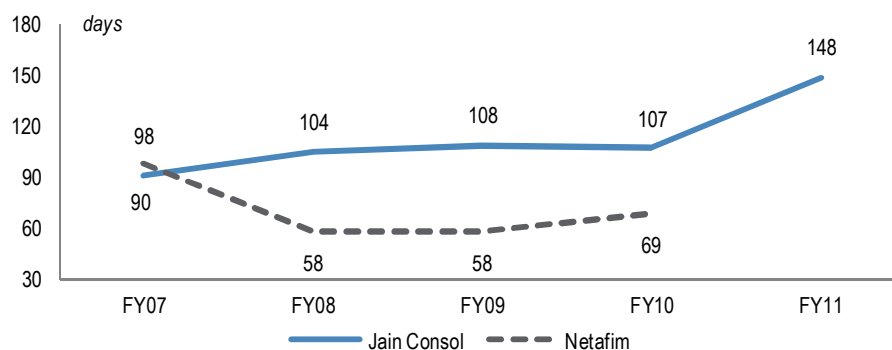
Source: JI Annual Reports, Netafim Annual filings with MCA; Note: FY09 for Netafim is for 15m period on account of year end change from Dec to Mar

Figure 6: Jain Irrigation MIS vs. Netafim India – Operating Cycle (days)



Source: JI Annual Reports, Netafim Annual filings with MCA; Note: FY09 for Netafim is for 15m period on account of year end change from Dec to Mar

Figure 7: Jain Irrigation vs. Netafim India – Receivables days (days)*



Source: JI Annual Reports, Netafim Annual filings with MCA; Note: FY09 for Netafim is for 15m period on account of year end change from Dec to Mar; *Receivable days for JI are for the consolidated business, due to lack of historical data.

Cutting estimates, revising price target to Rs125

We are reducing our earnings estimates for FY12E/FY13E by 14%/12%, factoring in slower micro-irrigation revenues in FY12E owing to good monsoons; and higher interest charges on account of higher interest rates and higher level of working capital. We are now assuming domestic micro-irrigation to grow 21%YoY in FY12E from 30% growth assumption earlier. We also assume average cost of debt increasing by 100bps in FY12E to factor in higher interest rate environment.

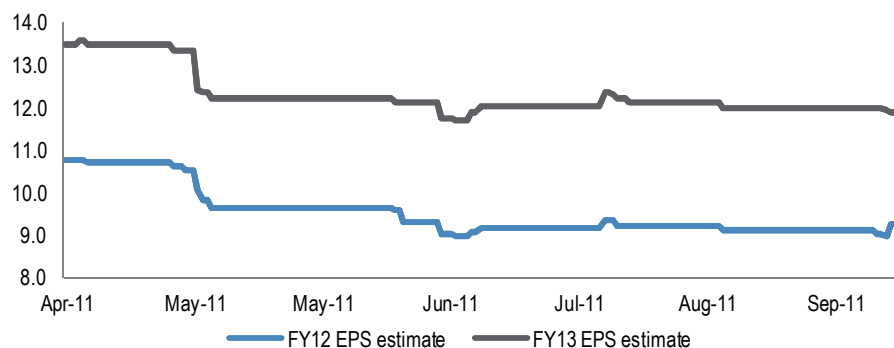
Table 2: JI estimate changes summary

(Rs in MM except per share)	FY12E			FY13E		
	Old	New	% Change	Old	New	% Change
Revenues	48,392.0	47,876.0	-1.1	56,614.0	55,903.1	-1.3
EBITDA	8,609.0	8,682.4	0.9	10,071.0	10,235.9	1.6
EBITDA Margin (%)	17.8	18.1		17.8	18.3	
PAT (pre-exceptional)	3,331.7	2,933.7	-11.9	4,232.4	3,794.1	-10.4
PAT Margin (%)	6.9	6.1		7.5	6.8	
FD EPS (pre-exceptional)	8.7	7.5	-14.3	11.1	9.7	-12.2

Source: J.P. Morgan estimates

Our earnings estimates are 16%-18% below consensus estimates. We note that consensus estimates for Jain Irrigation have continued to trend down over the past 2 quarters – consensus mean EPS for FY12E/FY13E have been cut by 15%/13% over past 2 quarters.

Figure 8: JI Bloomberg consensus earnings estimates trend (Rs)



Source: Bloomberg

We cut our price target for Jain Irrigation to Rs125 (Rs165 earlier), implying a target P/E multiple of 13x FY13E. Our price target is based on SOTP valuation, valuing the micro-irrigation business at 8x FY13E EV/EBITDA (in-line with domestic agri-input companies), pipes business at 5x FY13E EV/EBITDA (in-line with domestic pipe manufacturers) and the food processing business at 6x FY13E EV/EBITDA (in-line with domestic agro-processing peers). We believe JI should be valued based on SOTP as the management continues to make non-core investments (solar, plastic sheets, Industrial products). These businesses deploy significant amount of capital with varying growth and return profile. Our SOTP table is enumerated below:

Table 3: JI Sum-of-the parts valuation

	Sep 13 EBITDA (RsMM)	Target Multiple (x)	EV (RsMM)	Comment
Micro Irrigation	7,463	8.0	59,707	In-line with domestic peer group average
Agro-Processing	1,895	6.0	11,368	In-line with domestic peer group average
Pipes & Others	1,674	5.0	8,369	In-line with domestic peer group average
Total EV (Rsm)			79,444	
Net Debt (Rsm)			31,543	
Target Equity Value (Rsm)			47,902	
Number of Shares (m)			381	
Target Price per share (Rs)			125	

Table 4: JI vs. peer valuation comparison

	EBITDA Margin		EV/EBITDA		P/E		P/B		ROE	
	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E
JAIN IRRIGATION SYSTEMS LTD (JPM est)	18%	18%	10.3	8.7	21.1	16.2	3.3	2.9	17.1	19.1
JAIN IRRIGATION SYSTEMS LTD (BB est)	19%	19%	8.9	7.5	17.1	13.4	3.4	2.8	19.6	21.2
Pipes Peers										
SINTEX INDUSTRIES LTD	19%	19%	4.8	4.1	5.8	4.7	1.1	0.9	20.8	20.9
FINOLEX INDUSTRIES LTD	12%	13%	5.8	5.3	7.5	6.7	1.2	1.0	16.4	16.9
SUPREME INDUSTRIES LTD	15%	15%	6.3	5.1	10.6	8.3	3.4	2.6	36.5	36.4
Average			5.6	4.8	7.9	6.6	1.9	1.5	24.6	24.7
Agri-input Peers										
UNITED PHOSPHORUS LTD	20%	20%	5.1	4.5	8.8	7.5	1.5	1.3	19.1	19.3
ADVANTA INDIA LTD	15%	16%	10.5	8.6	31.4	14.3	1.4	1.4	5.4	9.7
KAVERI SEED CO LTD	24%	24%	8.9	8.0	11.1	9.7	2.8	NA	26.8	24.1
BAYER CROPSOURCE LTD	12%	11%	12.2	11.5	18.9	16.9	4.0	3.4	NA	NA
Average			9.2	8.1	17.6	12.1	2.4	2.0	17.1	17.7
Agro-processing peers										
REI AGRO LTD	17%	18%	7.4	5.9	10.5	6.6	1.3	1.1	NA	NA
KRBL LTD	16%	17%	5.7	4.8	4.8	4.3	0.8	0.7	18.5	18.4
RUCHI SOYA INDUSTRIES LTD	3%	3%	8.1	7.4	13.5	10.9	1.4	1.2	11.1	12.1
Average			7.0	6.0	9.6	7.2	1.2	1.0	14.8	15.3

Source: Bloomberg Consensus estimates for non-rated companies. J.P. Morgan estimates for Jain Irrigation and Sintex. Valuations as on COB 17/10/2011

JPM Q-Profile

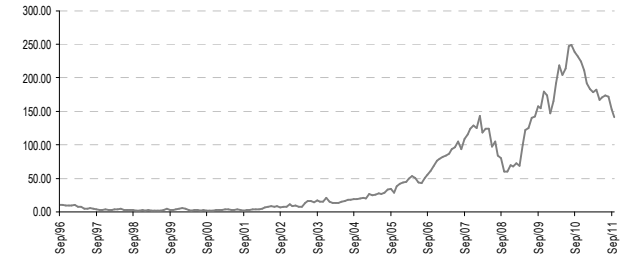
Jain Irrigation Systems Ltd. (INDIA / Industrials)

As Of: 13-Oct-2011

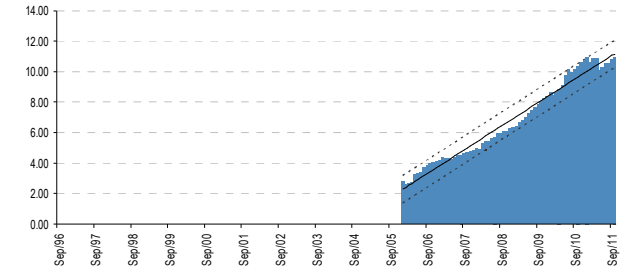
Global Equity Quantitative Analysis

Quant_Strategy@jpmorgan.com

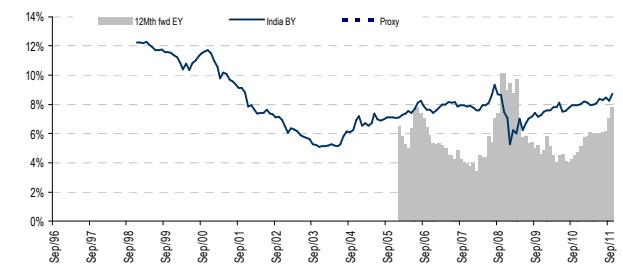
Local Share Price Current: **141.05**



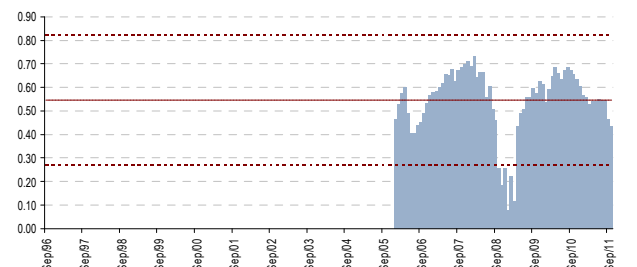
12 Mth Forward EPS Current: **10.96**



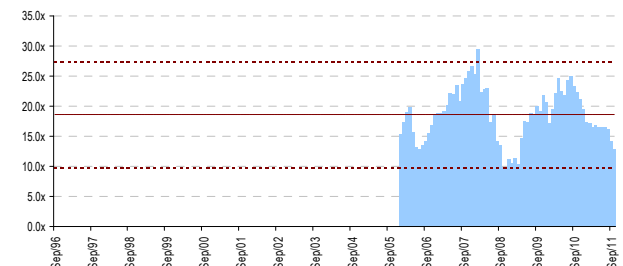
Earnings Yield (& local bond Yield) Current: **8%**



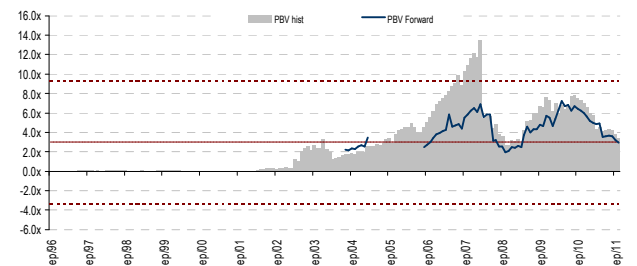
Implied Value Of Growth* Current: **43.40%**



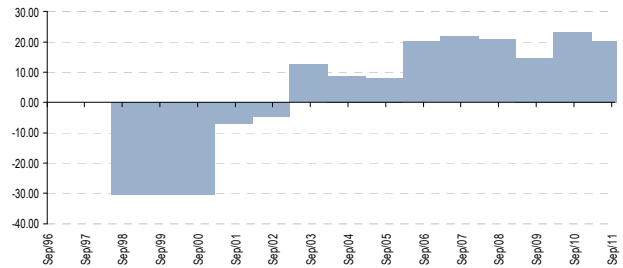
PE (1Yr Forward) Current: **12.9x**



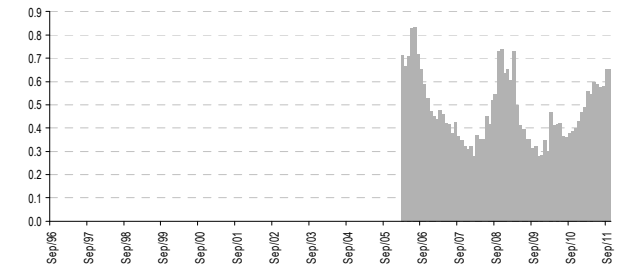
Price/Book Value Current: **3.5x**



ROE (Trailing) Current: **20.34**



Dividend Yield (Trailing) Current: **0.65**



Summary

Jain Irrigation Systems Ltd.		SEDOL		6312345		As Of:		13-Oct-11			
INDIA						Local Price:		141.05			
Industrials						EPS:		10.96			
	Latest	Min	Max	Median	Average	2 S.D.+	2 S.D. -	% to Min	% to Max	% to Med	% to Avg
12mth Forward PE	12.87x	9.86	29.60	18.72	18.60	27.45	9.76	-23%	130%	45%	45%
P/BV (Trailing)	3.50x	0.03	13.53	2.34	3.00	9.30	-3.30	-99%	287%	-33%	-14%
Dividend Yield (Trailing)	0.65	0.00	0.84	0.00	0.19	0.70	-0.32	-100%	28%	-100%	-71%
ROE (Trailing)	20.34	-30.41	23.34	8.81	3.64	42.73	-35.45	-249%	15%	-57%	-82%
Implied Value of Growth	43.4%	0.08	0.73	0.57	0.55	0.82	0.27	-82%	69%	31%	26%

Source: Bloomberg, Reuters Global Fundamentals, IBES CONSENSUS, J.P. Morgan Calcs

* Implied Value Of Growth = (1 - EY/Cost of equity) where cost of equity = Bond Yield + 5.0% (ERP)

Jain Irrigation Systems Ltd: Summary of Financials

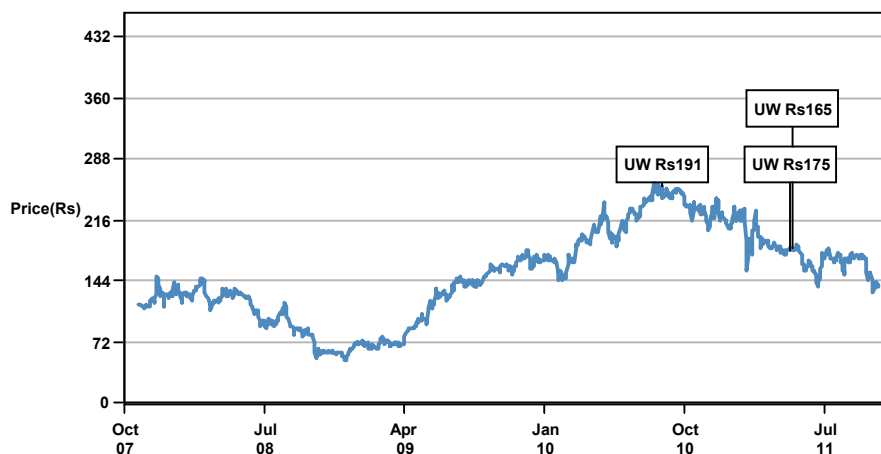
Income Statement						Cash flow statement					
Rs in millions, year end Mar	FY10	FY11	FY12E	FY13E	FY14E	Rs in millions, year end Mar	FY10	FY11	FY12E	FY13E	FY14E
Revenues	34,200	41,528	47,876	55,903	64,164	PBT	2,813	3,816	4,281	5,537	6,934
% change Y/Y	19.2%	21.4%	15.3%	16.8%	14.8%	Depr. & amortization	1,127	1,400	1,589	1,717	1,776
Gross Profit	12,508	15,489	17,538	20,387	23,396	Change in working capital	-2,408	-6,069	-3,665	-4,725	-6,587
% change Y/Y	14.3%	23.8%	13.2%	16.2%	14.8%	Other	2,345	2,880	3,131	3,321	3,477
EBITDA	5,937	7,659	8,682	10,236	11,828	Cash flow from operations	3,932	1,075	3,776	3,859	3,133
% change Y/Y	15.7%	29.0%	13.4%	17.9%	15.6%	Capex	-4,646	-4,946	-3,339	-1,855	-369
EBIT	4,810	6,258	7,093	8,519	10,052	Net Interest	-2,155	-2,678	-3,059	-3,241	-3,390
% change Y/Y	9.5%	30.1%	13.3%	20.1%	18.0%	Other	-148	-130	0	0	0
EBIT Margin	14.1%	15.1%	14.8%	15.2%	15.7%	Free cash flow	-603	-3,848	437	2,004	2,763
Net Interest	-2,155	-2,678	-3,059	-3,241	-3,390	Equity raised/(repaid)	433	778	0	0	0
Earnings before tax	2,813	3,816	4,281	5,537	6,934	Debt raised/(repaid)	6,693	5,507	1,000	2,000	1,500
% change Y/Y	8.5%	35.6%	12.2%	29.3%	25.2%	Other	-2,232	-2,717	-3,059	-3,241	-3,390
Tax	-1,203	-1,201	-1,348	-1,743	-2,183	Dividends paid	-256	-416	-515	-666	-889
as % of EBT	42.8%	31.5%	31.5%	31.5%	31.5%	Beginning cash	1,053	4,940	4,144	2,007	2,103
Net income	2,475.9	2,807.2	2,860.2	3,720.5	4,678.0	Ending cash	5,053	4,144	2,007	2,103	2,088
% change Y/Y	91.3%	13.4%	1.9%	30.1%	25.7%	DPS	1.07	1.05	1.31	1.71	2.29
Shares outstanding	376	381	381	381	381						
EPS (reported)	6.58	7.37	7.50	9.76	12.27						
% change Y/Y	83.8%	11.9%	1.9%	30.1%	25.7%						
Balance sheet						Ratio Analysis					
Rs in millions, year end Mar	FY10	FY11	FY12E	FY13E	FY14E	Rs in millions, year end Mar	FY10	FY11	FY12E	FY13E	FY14E
Cash and cash equivalents	5,053	4,144	2,007	2,103	2,087	Gross margin	36.6%	37.3%	36.6%	36.5%	36.5%
Accounts receivable	10,099	16,924	17,752	19,193	22,029	EBITDA margin	17.4%	18.4%	18.1%	18.3%	18.4%
Inventories	10,638	14,864	16,437	19,193	22,029	Operating margin	14.1%	15.1%	14.8%	15.2%	15.7%
Others	3,883	5,030	6,246	7,216	8,283	Net margin	7.2%	6.8%	6.0%	6.7%	7.3%
Current assets	29,672	40,962	42,442	47,705	54,428	Sales per share growth	14.5%	19.9%	15.3%	16.8%	14.8%
LT investments	211	211	211	211	211	Sales growth	19.2%	21.4%	15.3%	16.8%	14.8%
Net fixed assets	17,923	21,782	23,744	24,131	23,009	Net profit growth	91.3%	13.4%	1.9%	30.1%	25.7%
Total Assets	48,220	63,533	66,975	72,624	78,225	EPS growth	83.8%	11.9%	1.9%	30.1%	25.7%
Liabilities						Interest coverage (x)	2.75	2.86	2.84	3.16	3.49
Payables	7,045	12,814	13,150	13,819	14,098	Net debt to equity	159.4%	165.5%	161.3%	146.9%	130.5%
Others	2,966	3,509	3,198	3,050	3,009	Working Capital to Sales	40.0%	45.7%	44.0%	44.0%	46.7%
Total current liabilities	10,010	16,324	16,347	16,869	17,108	Sales/assets	0.79	0.74	0.73	0.80	0.85
Long-term debt	24,447	29,888	30,888	32,888	34,388	Assets/equity	3.96	4.08	3.74	3.47	3.16
Other liabilities	1,024	1,239	1,239	1,239	1,239	ROAE	23.4%	20.3%	17.1%	19.2%	20.5%
Total Liabilities	35,482	47,451	48,474	50,996	52,734	ROACE	15.1%	15.3%	15.0%	16.6%	17.8%
Shareholders' equity	12,167	15,558	17,903	20,957	24,746						
BVPS	32.28	40.79	46.93	54.94	64.87						

Source: Company reports and J.P. Morgan estimates.

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Jain Irrigation Systems Ltd (JAIR.BO) Price Chart



Date	Rating	Share Price (Rs)	Price Target (Rs)
18-Aug-10	UW	254.30	191.00
26-Apr-11	UW	180.85	175.00
30-Apr-11	UW	182.50	165.00

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends. Initiated coverage Aug 18, 2010.

The chart(s) show J.P. Morgan's continuing coverage of the stocks; the current analysts may or may not have covered it over the entire period.

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