



“Jubilant Ingrevia Limited
5th Annual General Meeting”
Friday, August 30, 2024 at 3:00 p.m.(IST)

MANAGEMENT:

MR. SHYAM S. BHARTIA – CHAIRMAN
MR. HARI S. BHARTIA – CO-CHAIRMAN AND WHOLE-TIME DIRECTOR
MR. SUSHIL KUMAR ROONGTA – INDEPENDENT DIRECTOR
MRS. SUDHA PILLAI – INDEPENDENT DIRECTOR
MR. PRADEEP BANERJEE – INDEPENDENT DIRECTOR
MR. SIRAJ AZMAT CHAUDHRY – INDEPENDENT DIRECTOR
MRS. AMEETA CHATTERJEE – INDEPENDENT DIRECTOR
MR. PRIYAVRAT BHARTIA – NON-EXECUTIVE DIRECTOR
MR. ARJUN BHARTIA – NON-EXECUTIVE DIRECTOR
MR. DEEPAK JAIN – CEO AND MANAGING DIRECTOR
MR. CHANDAN SINGH – CO-CEO AND WHOLE-TIME DIRECTOR
MR. ARVIND CHOKHANY – GROUP CHIEF FINANCE OFFICER
MR. VARUN GUPTA – CHIEF FINANCE OFFICER
MRS. DEEPANJALI GULATI – COMPANY SECRETARY

Moderator: Good afternoon, members. Welcome to the 5th Annual General Meeting of Jubilant Ingrevia Limited through video conferencing. For smooth conduct of the meeting, all members will be in mute mode.

Please note that in terms of the statutory requirements, the proceedings of the Annual General Meeting are being recorded and transcript of the proceedings shall be available on the Company's website. With this, I now hand over the proceedings to Mr. Shyam S. Bhartia, Chairman, who has joined from Noida. Thank you and over to you, sir.

Shyam S. Bhartia: Good Afternoon everyone,

I am delighted to welcome you to the 5th Annual General Meeting of Jubilant Ingrevia Limited. I trust and hope that you and your family and friends are safe and keeping well. I highly appreciate your taking out time today to attend this Annual General Meeting being convened through video conferencing in compliance with the provisions of the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. The Company has made all necessary arrangements to enable the members to participate in the meeting

through the video conferencing facility and vote electronically. As the requisite quorum is present, I call the meeting to order.

As the Annual General Meeting is being held through video conference, the facility of appointment of proxies by the members is not made available.

I would now introduce other Board members and KMPs who have joined this meeting through video conference.

- Mr. Hari S. Bhartia, Co-Chairman & Whole-Time Director, joining from Noida.
- Mr. Sushil Kumar Roongta, Independent Director and Chairman of Audit Committee, joining from Gurugram.
- Ms. Sudha Pillai, Independent Director and Chairperson of Sustainability and CSR Committee, joining from Delhi.
- Mr. Pradeep Banerjee, Independent Director and Chairman of the Nomination, Remuneration & Compensation Committee, joining from Mumbai.
- Mr. Siraj Azmat Chaudhry, Independent Director and Chairman of the Stakeholders Relationship Committee, joining from Gurugram.
- Ms. Ameeta Chatterjee, Independent Director, joining from Mumbai.
- Mr. Priyavrat Bhartia, Non-Executive Director, joining from Delhi.
- Mr. Arjun Bhartia, Non-Executive Director, joining from Delhi.
- Mr. Deepak Jain, CEO & Managing Director, joining from Noida.
- Mr. Chandan Singh, Co-CEO & Whole-time Director, joining from Noida.
- Mr. Arvind Chokhany, Group Chief Financial Officer, joining from Noida.
- Mr. Varun Gupta, Chief Financial Officer, joining from Noida.
- Ms. Deepanjali Gulati, Company Secretary, joining from Noida.

Mr. Arun Seth is unable to attend the meeting due to unavoidable circumstances.

The Statutory Auditors and Secretarial Auditors are also participating in the meeting.

Good afternoon, everyone. I'd like to extend a warm welcome to all of you, and thank you for joining us today for our Fifth Annual General Meeting of Jubilant Ingrevia Limited.

During the year gone by, multiple events impacted the global business environment, including climate changes, geopolitical disequilibrium, supply chain disruptions, energy volatility and persistent inflation. These events impacted our end-user segments too, in a significant way.

The agrochemicals sector was the worst hit, owing to overstocking in the distribution channel. The Nutrition sector also experienced pricing pressure owing to an excess supply. Likewise, there was a meaningful impact in pharma, cosmetics and industrial end-user segment volumes and pricing too. Moreover, higher freight costs, intensified by the Red Sea crisis towards the end of the fiscal, added another layer of difficulty for global trade and impacted our business volumes and margins across end-user segments.

Recognising the impact of these factors on our growth and profitability, we swiftly strategised and shifted gears to cushion their impact. Our well-timed strategic initiatives, our teams' disciplined efforts, and unwavering dedication allowed us to steer the organisation through these headwinds. Our deeper customer engagement and agile cost measures also ensured a minimal impact of these headwinds on our financial performance.

Like every storm is short-lived, we are convinced that this period of volatility shall pass and open up a significantly brighter horizon. Our optimism rests on the healthy uptick in sales volumes in Q4 of FY24 and Q1 of FY25. We are hopeful that this upward trend will continue in the coming quarters.

FINANCIAL AND BUSINESS PERFORMANCE

FY24 Highlights

In FY 2024, our industry went through significant stress across multiple fronts, leading to a sector-wide decline. Our peers experienced a 20-25% drop in their businesses, and we too encountered similar challenges.

Our revenue from operations stood at Rs. 4,136 crores, while our EBITDA was at Rs. 456 crores. Our Net Profit for the year was Rs. 183 crores. EBITDA margin was at 11% in FY 2024. Notwithstanding, we declared a dividend of 500% for the fiscal – a reflection of our commitment to deliver value to our valued shareholders.

In Specialty Chemicals, we witnessed higher volumes in FY24 coming from Pyridine and Diketene derivatives, while CDMO continued its annual revenue growth trajectory.

In Nutrition & Health Solutions, we witnessed higher sales volume coming from Niacinamide, wherein pricing remained muted in the last two-quarters of FY24.

In the Chemical Intermediate business segment, Acetic Anhydride volume was stable, while the pricing remained soft on account of lower demand from Paracetamol and Agro Chemical end-use segments.

During the end of the year, we were also impacted due to higher freight costs led by Red Sea Crises, which correspondingly dented our overall margins.

However, with the help of various strategic initiatives, we successfully kept our costs under control and brought our working capital down through focused inventory optimisation and other measures.

Q1 FY25 Highlights

Our financial performance continued the positive momentum in Q1FY25 from the previous quarter with revenue of Rs. 1,024 crores and EBITDA improving by 18% to Rs. 119 crores, largely driven by Speciality segment performance and continued cost measures.

In the overall business portfolio, our revenue share of the Specialty & Nutrition business continues to grow, reaching 60%, and our EBITDA share is 75% in Q1 FY25. We are delighted to share that our core product platforms continue to drive growth and leadership in Q1 FY25, as we have started witnessing improved trends in our flagship business segments, e.g.

- We witnessed significant volume growth in Pyridine & Picoline on a YoY basis; we are now globally #1 player in Pyridine and Picoline, and the only scaled non-Chinese player
- During the quarter, we also witnessed prices inching up sequentially in several segments
- Our Fine Chemicals products are showing strong YoY growth
- In CDMO, inbound queries across Pharma, Agro & Semiconductor end-use segments remained strong
- Our new product lines in Diketene and food-grade Choline Bitartrate are also showing strong traction

- In Niacinamide we have maintained our leadership position, being globally Top 2 in feed grade, with steady QoQ volume growth
- In Acetic Anhydride, volumes were low and prices were hit due to macro factors, although we maintained our market share in both India and Europe
- Our North America revenues doubled while EU & Japan revenues grew YoY

CAPITAL EXPENDITURE

Jubilant Ingrevia's pursuit of growth has always been driven by a strategic focus on differentiation and relentless execution to deliver at scale and with quality. We are also on track towards investing in high-potential product categories and expanding our product portfolio through our ongoing modular capex plan of Rs. 2,000 crores by FY25.

FY 2024 was a hallmark year in execution; as committed, we commissioned six massive projects at our Bharuch and Gajraula manufacturing sites to strengthen our presence in the Speciality Chemicals and Nutrition & Health Solutions business verticals.

These newly commissioned units are dedicated to manufacturing high-value products, which will shift the business compass in favour of value-addition with the overall business mix pivoting towards a higher share of Speciality Chemicals business. This shall further drive overall profitability significantly in the coming years.

We have already started to see increased utilisation levels in several of our newly commissioned plants (e.g. Diketene), which has also begun to reflect in our QoQ financial performance.

PINNACLE 345 – OUR STRATEGIC GROWTH ROADMAP

Cognizant of the improving sectoral ecosystem and burgeoning opportunities, we have designed a bold 5-year growth strategy. We have set out a new Growth Roadmap for ourselves called Pinnacle 3.4.5 – which is 3x revenue growth, 4x EBITDA growth in the next 5 years. We undertook a bottom-up assessment of our businesses and product platforms and crafted a detailed strategy for each business. The Pinnacle 3.4.5 growth roadmap is deeply rooted in our core strengths, i.e. customer centricity, world-class operations, innovation, ESG

leadership and people focus. It also leverages the opportunity coming to the Indian chemical industry on the back of 5 megatrends: supply chain diversification, domestic demand scale-up, value-added products acceleration, digitisation and ESG focus. We have already started executing this strategy across our Business Units and have created a Transformation Management Office to ensure a rigorous tracking mechanism. The early momentum and outcomes of Pinnacle 3.4.5 strategy are encouraging.

COST OPTIMISATION AND EFFICIENCY INITIATIVES

During the year, we rolled out organisation-wide projects such as Lean, Surge, Business Excellence and other energy efficiency initiatives. These initiatives helped make the business stronger and more efficient and will also enable us to save costs up to Rs. 120-140 crores annually. We have started to see the impact of these cost savings in our QoQ performance, starting from Q1 FY25.

SUSTAINABILITY DRIVE

Sustainability remains at the core of our operations. As global players, especially in Europe and the United States, intensify their efforts to reduce their Scope 3 emissions, we at Jubilant Ingrevia are committed to aligning with these objectives and advancing our sustainability initiatives.

With renewed vigour, we have continued investing in sustainability initiatives to align our ESG efforts with global companies' priorities. Under the Dow Jones Sustainability Index Corporate Sustainability Assessment 2023, we achieved an overall S&P Global ESG score of 57 with a ranking of 93 percentile. Under Ecovadis Sustainability, we received a 'Gold rating' with a score of 73/100 and a ranking of 95 percentile.

During the year, we also signed an agreement with M/s O2 Renewables for captive Renewable Energy sourcing for our Gajraula and Savli facilities, extending to our Bharuch facility in H1 FY25. We expect the share of renewables to increase to 30%+ in our energy mix in the next 12-15 months. As we advance, we envision to increase our share of renewable power to 4x by FY 2028.

Additionally, we have received 90+% Biogenic Content Ratings for several of our products through Carbon C-14 natural content measurement methodology.

These ratings underscore our commitment to sustainability and our efforts to provide environmentally friendly products.

CORPORATE SOCIAL RESPONSIBILITY

Focused towards empowering communities through sustainable social interventions, CSR initiatives at Jubilant Bhartia Foundation are in harmony with the United Nations Sustainable Development Goals. Operating on the Public-Private-People Partnership (4P) model, Jubilant Bhartia Foundation's key focus areas include primary healthcare, elementary education, livelihood creation and rural development. Our commitment and aspiration is to touch one million lives through these social interventions, and we are on track to do that with several of our efforts across education, healthcare and livelihood initiatives.

OTHER ACHIEVEMENTS AND INITIATIVES

I am glad to share that our manufacturing facility at Bharuch received USFDA EIR with ZERO 483 observations. This will help us accelerate our growth further in regulated markets such as the US.

Our intent to grow our business in regulated markets has started bearing fruits already, wherein during Q1 FY25, we witnessed significant traction in North American markets and grew 101% on a YoY basis. We also registered revenue growth from customers across EU regions and increased traction from customers from Japan.

On the back of robust demand for semiconductors, we are witnessing high traction in CDMO enquiries for Semiconductor and Electronic chemicals. We are foreseeing a significant opportunity in this segment.

In order to reduce waste, improve productivity and drive operational efficiency across our locations, we launched 5S system principles into our manufacturing framework. To accelerate our safety cultural transformation journey towards Zero Harm, we also launched Project Apollo under our Safety Improvement Plan. These initiatives will help us improve the overall safety and efficiency of our plants, in line with our vision to create world-class operations.

IN CLOSING

As we embark on our journey towards Pinnacle 3.4.5 and a brighter future, we are confident that with our collective efforts, Jubilant Ingrevia will continue to set new benchmarks and achieve greater heights. Together, we aim to navigate the challenges, seize the opportunities, and build a prosperous future for all.

We extend our heartfelt gratitude to our entire team for their passion and commitment, this will continue to be the cornerstone of our future success. To our shareholders, thank you for your continued faith and confidence in our vision. Your support is the bedrock of our endeavours, and we hope to deliver progressive growth in shareholder value year after year.

Thank you.

We shall now take up the formal agenda of the meeting.

The statutory registers as required under the Companies Act, 2013, certificate issued by the Secretarial Auditors pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other documents mentioned in the AGM Notice are available for electronic inspection on the NSDL website under the tab 'AGM Documents'.

The Statutory Auditors and Secretarial Auditors have expressed unqualified opinion in their respective audit reports for the financial year 2023-24. There are no qualifications, observations or adverse comments on the financial statements and matters which have any adverse effect on the functioning of the Company.

As the AGM Notice along with the Annual Report for the financial year 2023-24 are already circulated to the members through electronic mode, I take the Notice convening the meeting as read.

In compliance with the provisions of the Companies Act, 2013 and the Listing Regulations, the Company had provided remote e-Voting facility to the members from August 27, 2024 to August 29, 2024 to cast their votes electronically on all the Business items set out in the AGM Notice.

Members who have not cast their votes through remote e-voting and are participating in this meeting may cast their votes through the e-voting system provided by NSDL. The e-voting facility is active now.

We will now take up the agenda items as set forth in the AGM Notice listed as Ordinary Business and Special Business and thereafter questions by the members registered as speaker shall be taken up.

ORDINARY BUSINESS

Item no. 1(a) of the Notice - To consider and adopt the Standalone Financial Statements of the Company for the financial year ended March 31, 2024 along with the Reports of the Board of Directors and the Auditors thereon;

Item no. 1 (b) of the Notice - To consider and adopt the Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 along with the Report of the Auditors thereon.

Item no. 2 of the Notice - To declare a final dividend of Rs. 2.50 per equity share of Re 1 each for the financial year ended March 31, 2024.

As I am interested in the agenda item no. 3 and 4, I request Mr. Sushil Kumar Roongta to take the chair for these items.

Sushil Kumar Roongta: Item no. 3 - To appoint a Director in place of Mr. Shyam S. Bhartia (DIN: 00010484), who retires by rotation and, being eligible, offers himself for re-appointment.

Item no. 4 - To appoint a Director in place of Mr. Priyavrat Bhartia (DIN: 00020603), who retires by rotation and, being eligible, offers himself for re-appointment.

I now request Mr. Shyam S. Bhartia to chair the meeting.

Shyam S. Bhartia: Thank you, Mr. Roongta. Now item of Special Business considered by the Board as unavoidable are proposed for approval of the members. Ordinary Resolution

Item no. 5 - To ratify remuneration of Rs. 4.75 lac to M/s. J. K. Kabra & Co., Cost Auditors for the financial year ending March 31, 2025.

Special Resolution

Item no. 6 – To approve continuation of Directorship of Mrs. Sudha Pillai (DIN: 02263950) as the Independent Director of the Company.

Special Resolution

Item no. 7 - To approve continuation of Directorship of Mr. Sushil Kumar Roongta (DIN: 00309302) as the Independent Director of the Company.

The text of the resolutions along with Explanatory Statement is provided in the AGM Notice circulated to the members.

I would now invite 2 shareholders who have registered in advance as speaker shareholders. I would now request Moderator to play the videos sent by the Speaker Shareholders containing the queries.

Moderator:

Thank you. Ladies and gentlemen, please stay connected while we play the video clippings. We will now play video clipping received from our speaker shareholder, Mr. Malay Sameer, DP and client ID 1203230000586232. Please go ahead.

Malay Sameer:

Good afternoon to the family of Jubilant Ingrevia. I have been tracking the developments in the Company for last four years on a regular basis. I would like to firstly congratulate the CEO Deepak Jain for giving us very concise, time-bound guidance about the functions of the company and the progress it is making.

It certainly is helpful and loads us with confidence. I have two questions. The first question is about the progress of Pinnacle 345 strategy that we have been pursuing for the last three quarters. My question is whether we are sticking to the timelines or is there a possibility of improving on the timelines too?

The second question from my side is about CDMO business. In the last Investor Call also, the management had talked about meeting various clients overseas and some green shoots taking place in CDMO business.

If any breakthroughs in CDMO business are near, then I would request the management to give us a guidance on the quantum of these orders and the timeline for execution on such orders. Now, I may not want to ask any specific details but generally, what is the quantum of these orders and the timelines?

Thank you so much and all the best.

Moderator: Thank you. We now play video clipping received from our speaker shareholder, Mr. Ramjanki Maheshwari, DP & Client ID 1203390000197058

Ramjanki Maheshwari: Good afternoon, Board of Directors and my fellow shareholders. I have a question for the management for this AGM. You have articulated the strategy very well in the annual report as well as in the presentations.

But my only one question is that the new management has been traveling around the world and meeting existing as well as prospective clients. So, I just want to know what has been your conversion rate with respect to successes where either your existing clients are giving you more business or you are able to bring in new customers to the company. So, if you could just quantify what has been your success rate with respect to your conversion for your client meetings. Thank you and all the best.

Moderator: Thank you. I now request Mr. Deepak Jain to address the shareholder queries.

Deepak Jain: Thank you, Mr. Sameer and Mr. Maheshwari for your thoughtful questions. Let me try to address all three of them one by one. On Mr. Sameer's first question on Pinnacle 345, whether we are sticking to the timelines or is there a possibility to accelerate things. As you know, Pinnacle 345 stands for 3x growth in revenue, 4x growth in EBITDA over the next five years.

So, as per the original plan that we have created in a bottom-up manner, the overall timelines for this multi-year journey is five years. And within that journey, we have defined very clear milestones, both financial milestones and business milestones for every year in terms of revenue, EBITDA and any other progress that we have to make in any part of our business.

As we started to roll out this strategy, we are already seeing very good traction and momentum in several areas. Just to give you a few examples in our CDMO business, we are rapidly building up a pipeline of new opportunities across pharma, Agro and even semiconductors. Similarly, in fine chemicals, our new Diketene plants, which got commissioned early part of this year, are already running at 60% capacity.

Similarly, in nutrition portfolio also, some of the new products we have launched especially on the food grade side are already getting very good traction in the market and we are booking orders with very rapid pace. So, these are just some examples to give the comfort to all the shareholders that the Pinnacle 345 rollout has already started and there is meaningful traction and progress that we are making on several parts of our business and several parts of the strategy underlined in Pinnacle 345. Having said that, there are areas which are still taking more time to take off.

For instance, agrochemical segment, which globally is going through a slowdown and is almost for 25% of our business. There we are seeing that volumes are gradually coming back but prices are still muted and hence we believe that may take some more time to start yielding any meaningful results and impact into our performance. If I step back, as I said, it is a multi-year view and multi-year journey that we have taken and defined in Pinnacle 345 and hence we should look at it as well as the progress from a long-term perspective. Having said that, as I said, the early momentum is very promising and is also visible in our recent quarterly results as well as Chairman also explained and in the coming years, we are very confident that we will be able to deliver the targets as well as aspirations that we have defined in Pinnacle 345 vision.

Coming to question number two of Mr. Sameer on the CDMO business and the quantum and timelines related to it. As I mentioned in the last Investor Call as well, we have met over 100 customers in different parts of the world including Europe, U.S., Japan and not just CDMO but in almost every part of our business.

The traction and interest from these customers has been truly amazing. Most of them have shown a very strong interest to work with us across multiple opportunities both in existing products but also in new products and chemistries. Through these meetings, we have been able to create a strong pipeline of new opportunities which we are now internally evaluating and prioritizing.

Some of these opportunities, especially in existing products, have already started to move into sample and commercial stages and will start reflecting in our revenues in coming quarters. While on the other side, on the CDMO front, we have gotten a strong traction from the customers across Pharma, and semiconductor spaces with almost 15 to 20 different serious opportunities in various stages.

As you probably know, CDMO opportunities take at least 6 to 12 months to materialize and we have started this journey only a few months back. However, I am happy to inform that there are at least a couple of these opportunities, which are expected to be confirmed very soon and will have a meaningfully large impact on our future revenues. We will announce the specifics as soon as we have the final confirmation on these opportunities.

Let me move to Mr. Maheshwari's question which is similar to the second question, at least partly, on the conversion rates for existing and new customers. As I already mentioned, we are getting very good traction from both existing and new customers during the road shows we have done in different geographies.

The conversion rates are obviously higher with existing customers, especially in existing products. For instance, the Pyridine derivatives, [trichidine derivatives 38;24], Parathions, Vitamin B3, anything related to these product platforms, we are already seeing conversions and some of those orders have already been converted into commercial opportunities and are reflected in our quarterly revenues, even in Q1 of FY '25.

But for the new customers, since these were just introductory meetings, we have been able to create a potential pipeline so far and we are now going through an internal assessment of these opportunities based on which we will do the prioritization and accordingly take the process forward with these customers.

We are hoping that in next one or two quarters, we will be able to start booking commercial orders also, with new customers while existing customers are already yielding some results from these road shows. I hope I have answered your questions fully, Mr. Sameer and Mr. Maheshwari. In case of more questions, you may write to us at the investors ID and we will respond as soon as we can.

I will now hand over the proceedings of the meeting back to the Chairman.

Shyam S. Bhartia: Thank You Deepak.

Members may note that the e-voting on the NSDL platform will continue for the next 30 minutes. Thereafter, the proceedings of the meeting shall be closed. Members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Mr. Rupinder Singh Bhatia, Practicing Company Secretary as the Scrutinizer to supervise the e-voting process. The result of the voting shall be declared not later than 2 working days of the conclusion of the meeting. Results shall be available on the website of the Company, Stock Exchanges and NSDL and shall also be available at the Registered Office and Corporate Office of the Company.

I once again thank you all for participating in the AGM.

Moderator: Thank you. I now hand over to Deepanjali Gulati. Over to you.

Deepanjali Gulati: On behalf of members present, I propose vote of thanks to the Chair. Thank you everyone for attending the Annual General Meeting.

Moderator: Dear members, as advised by the Chairman, the time for e-voting has elapsed, and he is of the view that all members who are participating in the Annual General Meeting, have been given time and opportunity to vote at the AGM. And this concludes the proceedings of the AGM. Thank you all for participating in the AGM and e-voting. Thank you.