

4th Annual General Meeting of Jubilant Ingrevia Limited
31st August 2023

Moderator:

Good afternoon members. Welcome to the 4th 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 handover the proceedings to Mr. Shyam S. Bhartia, Chairman who has joined from Noida. Thank you.

Mr. Shyam S. Bhartia – Chairman, Jubilant Ingrevia Limited:

Good afternoon, everyone. I am delighted to welcome you to the 4th 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. Sushil Kumar Roongta – Independent Director and Chairman of the Audit Committee, joining from Gurugram.
- Ms. Sudha Pillai – Independent Director and Chairperson of the Sustainability and CSR Committee, joining from Delhi.
- Mr. Arun Seth – Independent Director and Chairman of the Risk Management Committee, joining from Delhi.
- Mr. Pradeep Banerjee – Independent Director and Chairman of the Nomination, Remuneration and Compensation Committee, joining from Mumbai.
- Mr. Siraj Azmat Choudhary – Independent Director and Chairman of the Stakeholder Committee, joining from Gurugram.
- Mrs. Ameeta Chatterjee – Independent Director, joining from Mumbai.
- Mr. Priyavrat Bhartia – Non-Executive Director, joining from Delhi.
- Mr. Arjun Shanker Bhartia – Non-Executive Director, joining from Delhi.
- Mr. Rajesh Kumar Shrivastava – CEO and Managing Director, joining from Noida.
- Mr. Chandan Singh Sengar – Co-CEO and Whole-Time Director, joining from Bangalore.

- Mr. Prakash Chandra Bisht – President and Chief Financial Officer, joining from Noida.
- Ms. Deepanjali Gulat – Company Secretary, joining from Noida

Mr. Hari S Bhartia is not able to attend the meeting due to unavoidable reasons. The statutory auditors and the secretarial auditors are also participating in the meeting.

Good afternoon, everyone, and welcome to the fourth annual general meeting of Jubilant Ingrevia Limited.

Amongst large economies, global economic growth is anchored largely by India. The developed economies are experiencing higher than anticipated inflation, which combined with the rise in central bank policy rates along with repercussions of the Ukraine-Russia conflict is prolonging a strong recovery. Global economic growth is forecasted at 3.0% for both CY23 and CY24 as per the IMF, this was estimated at 3.5% in CY 2022. India continues to expand at a good pace with real GDP growth in FY23 at 7.2%. The chemicals industry made a healthy contribution to these figures and is rapidly emerging as an important global producer as well as a consumer. The domestic demand for chemicals is expected to rise from \$180 billion in 2021 to almost \$1 trillion by 2040.

India is also quickly becoming a preferred partner for international clients seeking to broaden their supply networks for enhanced reliability & sustainability. Global corporations are slowly but surely looking at options beyond China to galvanize their operations and supply chains, with India emerging as a strong contender. This is particularly evidenced by the strong expansion of the specialty chemicals sector in India. Simultaneously, the Indian chemicals industry has established deep expertise in fundamental chemistry and continues to invest in advanced technologies and processes. All of these indicate rich opportunities for our Company and the sector as a whole.

FY23 was largely a productive year for Jubilant Ingrevia Limited. Despite facing hurdles, like geopolitical uncertainties, supply chain disruptions, and a sharp increase in coal and energy prices, which led to notable hikes in our input costs, we demonstrated resilience and consistency in our operations, wherein our Speciality Chemical business revenue grew by 29% and the Chemical Intermediate business placed highest ever volume of Acetic Anhydride. Our Nutrition business was impacted owing to very low demand due to extended swine and bird flu in Europe & US. Even during these trying times, we successfully launched and commissioned our pre-announced projects and stayed committed to large-scale capex plans.

Business updates

Jubilant Ingrevia is uniquely positioned to seize future growth opportunities with its four decades of experience in the chemicals industry and deep rewarding relationships with its global clients. We have nurtured these partnerships and developed new ones by leveraging our cost leadership and future-ready capabilities, powered by backward

integration, global scale volume capabilities, continuous process enhancements, efficient supply chain and a skilled management team.

Our ambitions reflects our unwavering commitment to sustainable growth. We seek to compete with the best international organizations, in a way that safeguards our environment and the social fabric we operate in. We estimate that through our ongoing expansion efforts, Jubilant Ingrevia Limited is poised to significantly augment its revenue and EBITDA margins in the years to come, coming from specialty chemicals and nutrition business segments.

In line with these goals, we have developed a comprehensive capex plan for our three business segments. During FY23, we consolidated and improved operations across all our facilities and increased output and volume turnovers.

Our capex strategy in Specialty Chemicals entails expanding Diketene and its derivatives as well as agrochemical intermediates. We have also made considerable progress in building our GMP and non-GMP capabilities. This shall augur well for us in obtaining niche projects in the CDMO segment.

For Nutrition and health solutions, the developmental work for food-grade Vitamin B4 is almost complete and the business is at an advanced stage of finalizing the capex plan for a GMP compliant facility. The approval for the same is expected in the ensuing quarter. Through this capex, we will enrich our array of nutrition products, which will reduce our dependency on the global feed market and provide consistency to our nutrition business by expanding our horizon to human consumption end uses.

In the chemical intermediates segment, we have successfully commissioned a new acetic anhydride plant in Bharuch, Gujarat to improve our acetyl production. This has positioned us as one of the biggest players in the acetic anhydride merchant market globally.

Let us now shed light on our digital initiatives and ambitions.

Digital updates

To drive digital transformation objectives, we have established a digital center of excellence. We are excited to embark on our Digital transformation journey called 'Surge', Which is transforming our business processes across Manufacturing, Sales and Supply chain to bring in more efficiency, transparency and build an overall culture of digital innovation.

As we progress the mantra of sustainability will inspire our decisions.

Sustainability and CSR updates

Our strategic approach of integrating sustainability into our business model, has helped in building resiliency and driving business growth through identification of new market opportunities, thereby attracting environmentally conscious customers and partners, reducing costs, increasing operational efficiency and minimizing

regulatory risks. Our commitment to ethical and responsible practices enhanced our reputation, both internationally and domestically and fostered trust and long-term relationships with our stakeholders.

In FY23, we successfully reduced our carbon footprint and greenhouse gas emissions by 28,386 metric tons. We implemented 28 energy saving projects, increased the percentage of renewable energy in our overall energy mix to 9.5%, directly contributing towards Green House Gas reduction. We also made progress in water conservation, waste reduction, sustainable production, and environmental preservation. Our participation in the S&P DJSI Assessment in 2022 showed excellent results: We were placed in the 95th percentile of the global chemical industry. We were also listed among the top 5% companies globally and featured among the top two Indian chemical companies in ESG scores.

Jubilant Ingrevia Limited's commitment to corporate social responsibility stands as a pivotal pillar within our sustainability framework. Our CSR arm the Jubilant Bhartia Foundation, focusses in the realms of healthcare, education, livelihood and social entrepreneurship. Through our efforts we reach to over 6.5 lakh individuals across 437 villages. We provide vital and affordable healthcare services, through medical centers and mobile medical units. In 2023, our educational outreach expanded to encompass more than 500 schools, benefiting over 1 lakh students and educators across 100 villages.

Human resources updates

We see ourselves as a responsible and committed organization which is guided by Our Promise of Caring, Sharing and Growing. We strongly believe that our Employees are the most valuable asset. Everything we do at Jubilant Ingrevia is centered around our employees. Over the last few years, we have brought immense focus on capability building, career growth, improved productivity, building high performance culture and diversity & Inclusion.

Even with a marginally higher attrition in FY23 compared to the previous year, with rigorous talent planning & management process, we delivered career growth opportunities to our employees and ensured 96% talent availability across the organization throughout the year. We continue to invest in our talent to build the future leadership. We curated a custom Leadership Development Program for our key talent with world Class University. This was aimed at building strategic mindset, preparing for future business challenges, building skill for digital adoption and developing growth mindset.

In our commitment to “Responsible and Inclusive Growth”, we strengthened our commitment to inclusivity and diversity, and continue to promote gender diversity, equality, and cross-functional collaboration.

Also, the Company was conferred with ICC award for Human Resource Excellence in FY2023.

Financial updates

FY23

In FY23, our Specialty Chemicals business grew by 29% and Chemical Intermediates business recorded the highest ever volumes of Acetic Anhydride, resulting in a higher market share globally. However, the nutrition business faced headwinds for Niacinamide, leading to lower volumes as well as lower price realisation. The EBITDA in FY23 was lower mainly on the account of higher energy prices and challenging market situations.

We witnessed a slight decline in revenue due to lower pass through input cost of acetic acid and other business factors in FY23. Revenues slid by 4%, from ₹4,949 crore in FY22 to ₹4,773 crore in FY23, and the EBITDA stood at ₹580 crore. EBITDA margins were at 12.2% and profit after tax stood at ₹308 crore.

Q1 FY24

In Q1 FY24, we have witnessed muted market conditions, especially in the agrochemical end-use markets.

In our Specialty Chemicals business, the demand from our pharmaceutical and other customers has increased, leading to improved price realisation and margins, however demand from our agrochemical end-use customers continues to face headwinds due to exceptionally high channel inventory pipeline.

In our Nutrition and Health Solutions business, Niacinamide sales have improved significantly in Q1 FY24, resulting in revenue growth in the segment.

In our Chemical Intermediates business, we have continued to improve our market share of the key product, Acetic Anhydride, despite lower demand from the agrochemical end-use segment.

As coal prices decrease gradually, our overall energy cost is expected to normalize soon, leading to better margins.

Even as we navigate the volatile markets, it is important to recognise that the current scenario is only temporary. Our commitment to the long-term growth and the success of our business remains strong, and it is due to this clarity that the Board of Directors recommended a dividend of 500% in FY23. At a cash outflow of ₹79.6 crore in FY23.

In conclusion

As we continue this journey together, I express our deepest gratitude to our shareholders, partners, vendors, employees, and communities for their continuous faith and support. We are incredibly excited for the future and are confident that we will grow from strength to strength as we continue to deliver exceptional value.

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 Auditor pursuant to the SEBI (Share based Employees benefit and Sweat equity) Regulation, 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 Auditor have expressed unqualified opinion in their respective audit reports for the financial year 2022-23. 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 2022-23 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 Listing Regulations, the Company has provided remote e-voting facility to the members from August 28, 2023 to August 30, 2023 to cast their votes electronically on all the business items set out in the AGM Notice.

Members who have not cast their votes through the 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 now active.

We will now take up the agenda items 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 end date March 31, 2023 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, 2023 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, 2023.

As I am interested in the agenda number 3, I request Mr. Sushil Kumar Roongta to take the chair for this item.

Mr. Sushil Kumar Roongta:

Thank you, Mr. Bhartia.

- Item No. 3 - To appoint a Director in place of Mr. Hari S. Bhartia DIN (00010499), who retires by rotation and, being eligible, offers himself for re - appointment.

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

Mr. Shyam S. Bhartia – Chairman, Jubilant Ingrevia Limited:

Thank you, Mr. Roongta.

- Item No. 4 - To appoint a Director in place of Mr. Arjun Shankar Bhartia (DIN 03019690), who retires by rotation and, being eligible, offers himself for re - appointment.

Now, the item of Special Business considered by the Board as unavoidable are proposed for approval of the members by way of ordinary resolutions.

- Item No. 5 - To approve remuneration of Rs. 4.75 lac to M/s J K Kabra & Co. Cost Auditors for the financial year ending March 31, 2024.
- Item No. 6 - Appointment of Mr. Deepak Jain (DIN 10255429) as a Director of the Company.
- Item No. 7 - Appointment of Mr. Deepak Jain (DIN 10255429) as Managing Director designated as CEO and Managing 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, sir. We will now play a video clipping received from our Speaker Shareholder, Mr. Vinmre Anand from U.P.

Mr. Vinmre Anand – Shareholder:

Dear Management Team of Jubilant Ingrevia limited, I am a very long term shareholder of Jubilant Ingrevia and Intend to hold my investment in the Company for a very long time, as I believe the true value creation will only take place structurally and in planned phase manner. I am very impressed with road map that you have laid down for the Company in terms of the growth areas and the capex plans that the

Company has in its three business segments. My question to the management would be on Diketene, wherein I would like to understand the current position of this business in terms of its milestones achieved with regard to the utilization and number of Diketene Derivatives that the Company has launched, and also what is Company's vision to announce its next phase of expansion of Diketene and how would does the management targeting to utilize the additional capacity of Diketene that will come in the future. Thanks You.

Moderator:

We now play video clipping received from our Speaker Shareholder, Mr. Malay Sameer from U.P.

Mr. Malay Sameer – Shareholder:

Hi, good day to the management of Jubilant Ingrevia. I am a retail investor. My name is Malay Sameer. I have just a very few questions. Number one on Acetic Anhydride. This product has been facing headwinds in terms of pricing and due to the headwinds faced by Agro industry. My question is, how does the management see the pricing for this product going forward, especially that we have started ramping up our production? My second question is about nutrition business. Looking at the last quarter's results, is it fair to assume that the challenges faced by the nutrition segment for last three quarters are behind us and we can look forward to a normal business scenario?

Number three, my question is on the energy costs. Coal prices have been falling down steadily and I was a little surprised about not seeing improvement in the energy costs this quarter vis-à-vis the fourth quarter of last year. So, if coal prices continue to fall, there should have been sequential benefit coming into the results as well. So, requesting the management to guide us about how they propose to source the coal and how do they see the energy costs panning out going forward. Thank you.

Moderator:

Thank you. I now request Mr. Rajesh Kumar Srivastava to address these shareholder queries.

Mr. Rajesh K. Srivastava

Thank you, Mr. Anand and Mr. Sameer. Let me first respond to the question from Mr. Anand on the Diketene business, our Diketene business has started delivering positive traction. In Q1 FY24, we have utilized around 60% to 65% of the capacity which is approx. 7000 tones per year and we expect the capacity utilization to improve further during the year. Regarding our vision about Diketene business as explained earlier let me reiterate again, that we have identified about 20 products including building blocks and value-added derivatives which has a global market potential of about Rs. 4,000 crores. About a year before, we have successfully commissioned our first phase of Diketene plant to launch four products, mainly building blocks. This was a very critical milestone for building the Diketene based value added derivatives platform as

we have already built Pyridine platform in the past. Now we have recently approved capex for first value added derivative plant which we would commission during Q1 FY25 by launching two value added derivatives.

Further second value added derivative plant Capex we plan to approve sometime in Q3 FY24, which should be ready by Q4 FY25 by launching another three derivatives of Diketene. With these facilities, we will cover almost Rs. 2,000 crore of the global market potential and we plan to achieve close to 20% to 25% of market share at the peak revenue. For further ten value added products, our development work is at advanced stage and we are confident to bring the capital investment stage in subsequent years.

Now let me address the question of Mr. Sameer on Acetic Anhydride, nutrition business and energy cost. Firstly, on Acetic Anhydride, lower demand from Agro Intermediates have generated temporary pricing pressure on Acetic Anhydride business and is expected to normalize sometime during Q4 FY24. However, our long-term contracts with global customer is helping us in ramping up of our new capacity as per plan. During FY24, we expect to utilize about 80% of our overall capacity including the recently added new plant of Acetic Anhydride. With regards to nutrition business, we have seen significant improvement in demand and prices in the Niacinamide during Q1 FY24 and we expect the business to normalize going forward. Regarding energy cost, we expect our overall energy cost in FY24 on per metric ton basis to be lower by 12 to 13% from the last year FY23, mainly on account of overall lower price of imported coal as well as the higher availability of FSA coal by road at Gajaraula facility. While you would see the increase in absolute value of energy cost in Q1 FY24, over Q4 FY23 it was more because higher volumes and increase in price of grid power.

I hope I have answered your questions. In case you still have any question to be answered, you may please write to us at our Investor ID and we will answer them appropriately. I now hand over the proceeding of the meeting to the Chairman.

Mr. Shyam S. Bhartia

Thank you, Rajesh.

Members may note that the e-voting on 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. The results shall be available on the website of the Company, Stock Exchanges and NSDL, and shall be available at the Registered Office and Corporate Office of the Company.

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

Ms. Deepanjali Gulati

On behalf of members present, I propose a vote of thanks to the Chair. Thank you everyone.

E-Voting

End of Transcript