



**TRANSCRIPT OF THE 17<sup>TH</sup> ANNUAL GENERAL MEETING OF JUBILANT INDUSTRIES LIMITED HELD ON THURSDAY, SEPTEMBER 21, 2023 AT 03:00 P.M. THROUGH VIDEO CONFERENCING**

**Mr. Brijesh Kumar**

**Good Afternoon everyone! Dear Members,**

It is my pleasure to welcome you to the 17th Annual General Meeting of your Company. In compliance with the circulars issued by Ministry of Corporate Affairs and Securities Exchange Board of India from time to time, this meeting is being convened via video conferencing.

For the smooth conduct of the meeting, all members will be in mute mode. Please note that in terms of the statutory requirement, the proceedings of the Annual General Meeting are being recorded and transcript of the proceedings shall be available on the Company's website.

In accordance with the provisions of Companies Act, 2013 & Rules made thereunder and SEBI Listing Regulations, the Company has extended to its members the facility to exercise their right to vote on all the items of agenda of this meeting through remote e-voting facility and e-voting at the AGM. The remote e-voting facility commenced on 18th September, 2023, at 9:00 a.m. and concluded on 20th September, 2023, at 5:00 p.m.

For those members who were unable to cast their votes via remote e-voting, I kindly request you to cast your votes during this meeting. The icon for e-voting is available on the login page, and the e-voting facility is now active.

Mr. Kapil Dev Taneja of M/s. Sanjay Grover & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process.

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

Since the requisite quorum is present, I now handover the proceedings to Mr. Priyavrat Bhartia, Chairman, who has joined from New Delhi.



**Mr. Priyavrat Bhartia**

Thank you Brijesh:

Good After Noon Ladies and Gentlemen!

On behalf of Jubilant Industries Limited, I extend a warm welcome to all the shareholders who have joined this AGM.

The Company has taken necessary steps which are required to be taken as required by law, to enable the Members to participate at this meeting via video conferencing and exercise their voting rights on the resolutions mentioned in the notice convening this AGM.

As we have the requisite quorum present, I call this meeting to order.

Let me introduce, the Directors and KMPs of the Company who are present at this meeting -

1. Mr. Manu Ahuja, CEO & Managing Director, joining from Gurugram.
2. Mr. Radhey Shayam Sharma, Independent Director and Chairperson of Nomination, Remuneration and Compensation Committee and Stakeholders Relationship Committee, joining from Gurugram.
3. Mr. Ravinder Pal Sharma, Independent Director and Chairman of Audit Committee, joining from New Delhi.
4. Mr. Umesh Sharma, Chief Financial Officer, joining from Gurugram
5. Mr. Brijesh Kumar, Company Secretary, joining from Gurugram

Mr. Shamit Bhartia and Ms. Shivpriya Nanda could not attend the meeting due to her pre-occupation.

Mr. Pranav Jain, Partner of BGJC & Associates, Statutory Auditor and Mr. Kapil Dev Taneja, Partner of M/s. Sanjay Grover & Associates, Secretarial Auditor, are also participating in the meeting.

I am delighted to announce that we have achieved substantial growth and progress in the fiscal year under review. Our steadfast commitment to excellence has yielded a remarkable 26% increase in revenue, serving as a testament to the dedication and hard work of our entire team. Despite the intricate web of challenges we encountered, this achievement reflects our unwavering determination to drive sustainable success. We proudly report a 26% growth in revenues during FY2023, which amounted to Rs. 14,729 million compared to Rs. 11,658 million in FY2022. Furthermore, our EBITDA for FY2023 reached Rs. 1,058 million, a



positive shift from Rs. 1,007 million. Net Profit after tax during FY2023 stood at Rs. 528 million.

I extend my heartfelt gratitude to all our stakeholders - our customers, vendors, lenders, bankers, shareholders, and the entire Jubilant family - for their continued support and trust. I am immensely proud of our employees for their dedication, and I express my sincere wishes for the well-being of all our stakeholders and their loved ones.

Now, Brijesh will take us through the agenda items.

### **Mr. Brijesh Kumar**

Since the AGM Notice along with the Annual Report for the financial year ended March'23, have already been circulated to the members through electronic mode, I take the Notice convening the meeting as read.

The Statutory Auditors and Secretarial Auditor have expressed unqualified opinion in their respective audit reports for the financial year March'23. There were no qualifications, observations or adverse comments on the financial statements and matters which have any adverse effect on the functioning of the Company. So, the same is not required to be read at this Meeting.

I, now, would like to brief the shareholders about the resolutions which are required to be passed today. There are "Seven Resolutions" in the notice to be approved by the members at this Annual General Meeting.

**First Resolution** is to consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2023 and the reports of the Board of Directors and Auditor thereon by passing an Ordinary Resolution.

**Second Resolution** is regarding the appointment of a Director in place of Mr. Shamit Bhartia (DIN: 00020623), who retires by rotation and being eligible offers himself for re-appointment by passing an Ordinary Resolution.

**Third Resolution** is regarding the Modification of JIL Employees Stock Option Scheme 2013 by passing a special resolution.

**Forth Resolution** is regarding Grant of options to the employees of Holding and/ or Subsidiary Company (ies), under the amended JIL Employees Stock Option Scheme 2013 by passing a special resolution.

**Fifth Resolution** is regarding the Modification of JIL Employees Stock Option Scheme 2018 by passing a special resolution.



**Sixth Resolution** is regarding Grant of options to the employees of Holding and/ or Subsidiary Company (ies), under the amended JIL Employees Stock Option Scheme 2018 by passing a special resolution.

**Seventh Resolution** is regarding the Re-appointment of Mr. Radhey Shyam Sharma (DIN: 00013208) as an Independent Director for a second term of 5 (five) consecutive years by passing a special resolution.

We now move on to our discussions with shareholders who have registered themselves as speakers with the company for raising their queries or to share their views. On question and answer session, I will call name of shareholder one by one and the audio of speaker shareholder will be unmuted subsequently.

In case of connectivity problem at speaker shareholder's end, we will ask the next speaker shareholder to join and once the network connects the speaker shareholder may re-join the meeting after all the other speaker shareholders have completed their respective turn.

Members are requested to be precise and not take more than 2-3 minutes to share their views and queries.

Inviting our first speaker shareholder, Mr. Prakhar Jain to speak, please. Hello Mr. Prakhar Jain, we have unmuted you from our side. Please, unmute yourself, turn on your camera before you proceed with your question.

Over to you Mr. Prakhar.

**Mr. Prakhar Jain** – Can you hear me ?

**Mr. Brijesh Kumar** – Yes, please switch on your Camera.

**Mr. Prakhar Jain:**

I am Prakhar Jain, Registered Shareholder of the Company. I would like to thank the management for giving me the opportunity to speak as shareholder.

I want to ask question about increase in amount of other expenses of Rs. 4 Crore as compared to the previous year. Could you please provide the reasons behind this increase in other expenses?

**Mr. Brijesh Kumar:** Okay, we will answer you at the end.

**Mr. Brijesh Kumar:** Inviting the next speaker shareholder **Mr. Piyush Chadha** to speak please. I think there is some network problem, now we will move to our next speaker shareholder.



**Mr. Priyavrat Bhartia:** I think we should move on to the next Speaker Shareholder.

**Mr. Brijesh Kumar:** Inviting the next speaker shareholder **Mr. Rohit Kakkar** to speak please. I request Mr. Rohit Kakkar to unmute yourself and ask your question.

**Mr. Rohit Kakkar:** Yes, I can hear you. Hi, I am Rohit Kakkar, joining from Delhi. One thing I would like to ask is that the finance cost of the Company has increased by Rs. 5 Crores. Could you please provide the reason behind this ?

**Mr. Brijesh Kumar:** Thank You !

**Mr. Umesh Sharma:** Rohit, we will answer it once all the questions are over.

**Mr. Brijesh Kumar:** Now, I would request our next speaker shareholder Mr. Amit Doshi to speak, please. I request Mr. Amit Doshi to please ask your question.

**Mr. Amit Doshi:** Hi, I have sent a detailed list of questions to the Secretary as well. But, I will repeat few questions, and I request the management to share the answers in detail, because there is only one time we get to speak:

My questions are as follows:

- 1) Segment-wise break-up of revenues of consumer products (additives), latex and food polymers?
- 2) Revenues for Performance Polymers has been stagnant from last 10 years, i.e., FY 2012 to FY 2021 around (Rs. 300 – 400 Cr). But from last 2 years the division has seen significant increase in revenue. Can you please share the reasons for the same? What has changed? Which division has been performing so well? Also, if you can share some details regarding the margins of the sub segment, i.e., Consumer Products. Then, with respect to consumer products who would be a major competitor in the area where we operate? How do we compare with them in terms of pricing, distribution?
- 3) What is geography-wise or state-wise revenue breakup? Which is a major state where we get revenue from? Do we have any plans to expand into new States? Also, what would be the B2C and B2B revenue. If there is any B2B revenue?
- 4) And what kind of growth do we expect in this? Consumer product segment?



- 5) With respect to Port Polymers and Latex, I think we mentioned that we have a dominant position in world market. So how do you plan to grow here. So by adding new customers or pour into new segments, you can share some details about which segments we want to enter etc. And what is our current global market share in these segments?
- 6) In terms of Agri? We have not grown again since 2012 to 2021, whereas last 2 years it has been quite good. So what has changed? So overall, I think something has changed in last 2 years are we focusing more earlier? Our focus was not what has changed. Also, margins are quite volatile in this segment, as can be seen from FY 2022 where margins were so good, whereas in FY 2023 margins have been poor. So what was the reason for the sharp fall in margin?
- 7) Do you expect to recover some part of the fall in margin for Q2? If you can share some State wise revenue break up.
- 8) Also, we mentioned that we have entered into 8 new States. What would be the revenue contribution from these new States, and which is a major state
- 9) Our sales promotion expenses have increased from 18 to 38 Crores in large to 43 Crores from 18 Crores 2 years ago? Which is the major segment where we are incurring this expense?
- 10) And what has led to to become very aggressive and spending heavily on marketing and sales promotion?
- 11) Capacity utilization across all our segments and Capex for FY 2024, FY 2025 and how do we plan to utilize our cash flow? Because we should generate significant cash flow going forward considering Consumer product and food polymer etc., should do well. So what is the plan to utilize the cash flows, for dividend policy or for acquisitions?
- 12) And last question, do you plan to demerge the Performance Polymer Division and the Agri Products division to fetch higher valuation ? any plans in pipeline with respect to that ?

Thank you. My request would be to answer most of the questions in detail, if possible.

**Mr. Brijesh Kumar:** Thank you. We will answer you at the end.

Now, I would request to **Mr. Vipul Sharma**, please ask your question.

**Mr. Vipul Sharma:**

Thank You, Good Afternoon Respected Chairman and Hon'ble Board Members. My name is Vipul Sharma and I have joined this meeting from Jaipur. My question is that Given the



company's recent financial performance, could the management please provide a briefing on the impact of the reduction in raw material prices, and whether the company is benefiting from this reduction in raw material costs?

**Mr. Brijesh Kumar:** Thank You.

Now, I request Mr. Rahul Sethi to ask your question. Mr. Rahul Sethi, Can you unmute yourself? I think there is some network problem.

**Mr. Umesh Sharma:** No problem, please move forward.

**Mr. Brijesh Kumar:** So, now I request to Mr. Umesh Sharma, CFO of the Company to give answers to the queries asked by the Shareholders.

**Mr. Umesh Sharma:**

Yes, thanks Brijesh.

First question is from Mr. Prakhar Jain regarding the increase in the other overheads. So, Prakhar, the main reason for this is that because of the higher volume there's been increase in the freight and S and D cost. Overall, if you look at the percentage to sales, this cost has come down in the current year.

Mr. Rohit Kakkar, your question was regarding the increase in interest costs for the current Financial Year. This year you would have seen there is some the repo rate was increased by Rbi couple of times, and that is resulted in the overall increase in the lending rate by the bank and further, the average utilization of working capital in the current year was higher as compared to the previous year, so that has resulted in marginal increase in the finance cost in the financial year 2022-23.

Mr. Amit, you have asked list of question. It is not possible to answer all the questions here. but for your question regarding the increase in the turnover for last 4-5 years. I would like to tell you that the performance polymer segment per se has done exceptionally well in last 4 years. And Agri has also done exceptionally well in the last 4 years. You would have seen that we had recommenced our fertilizer unit in 2021, and that has also helped us in increasing the revenue over the last few years. Overall revenue for the segment from 2019 to 2023 has gone up by close to Rs. 400 Crores. Whereas the revenue of performance polymer segment has gone up a close to Rs. 500 Crores.

If you talk about the competitors, so they're Pidilite, Jyoti Raisins, Asian Paints, Nikhil Adhesives. All adhesive manufacturers fall under the category of the competitors. We will try to answer the remaining questions through email to the extent possible.

As far as the dividend is concerned, the Company is currently ploughing back its profit to meet the internal fund requirements. So we'll be communicating to the shareholders at appropriate time whenever we decide to distribute the dividends.



Sales promotion expenses have gone up, because, you see, it is a reflection in the turnover. The company is spending a lot on promoting all in sales promotion activities for all its product, and that the result can be seen in terms of increase in the revenue.

Mr. Vipul Sharma raised a very valid questions from Jaipur regarding the impact of reduction in the raw material prices. Yes, Vipul, you're right that the raw material prices have come down from the previous years, and this has helped the company to increase in margin in all the segments. So, your assumption is right, it is reflected in the margin. So, the company is benefited by the reduction in the raw material prices in the current year.

**Mr. Brijesh Kumar:** Thank you Sir, all the questions have already been answered. I would request Mr. Priyavrat Bhartia to proceed further.

**Mr. Priyavrat Bhartia (Chairman)**

Members may note that the e-voting on the NSDL platform will continue for the next 30 minutes.

The result of voting on the items of the agenda of this meeting shall be declared within the prescribed time-limit and I hereby authorize Mr. Brijesh Kumar, Company Secretary to declare the results. The same shall also be available on the website of the Company, Stock Exchanges and NSDL. Further, the same shall also be displayed at the Registered Office and Corporate Office of the Company.

All the business set out in the Notice of this Meeting have been concluded, and a time period of 30 minutes is available with the Members for voting, after which the Meeting will stand closed.

I thank all the members for their participation.

**Mr. Brijesh Kumar:**

Members are now requested to please proceed with e-voting, which is available for next 30 minutes.

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

Thank you all for your participation! I wish you all a safe and healthy future.