

## **Jubilant Industries Limited – Chairman’s speech – AGM August 27, 2013**

Good afternoon ladies and gentlemen,

Welcome to the 7<sup>th</sup> Annual General Meeting of Jubilant Industries Ltd. Last year was characterized by consistent performance amidst rapidly changing market landscape.

### **FY 13 Performance**

During FY 2013, the company was able to maintain its position in a market characterized by lower economic growth and falling consumption patterns. Fertilizer industry in India had a difficult second half of FY 2013, due to delayed monsoon. Our Agribusiness also witnessed lower demand but the company was able to maintain its market share in most of the key markets it operates in.

Performance Polymer, which had seen a growth of 33% last year, saw a slowdown in exports volume due to down-turn in European markets. With better cost management initiatives taken during the course of the year, profitability of Performance Polymer segment improved over last year.

Our strategy for Retail business is yielding the desired result. This was the year of consolidation and getting the cost structure right for the business.

While the consolidated Revenue of the company has dropped by around 2% to Rs. 999 Crore, its earnings before interest, taxes, depreciation and amortisation (EBITDA) has increased by 25% at Rs. 24 Crore in FY 2013. We delivered these results in the midst of an unpredictable economic environment, which is validation of the resilience of your Company.

### **Strategic Growth Initiatives**

In Agribusiness, The Company is looking to increase its basket by offering new value added products like Boronated Granular SSP. The Company continues to

focus on herbicide segment by adding new molecule for soybean and also promoting the usage of VAM-C, a Plant Growth Regulator.

In Performance Polymer, the key focus of Performance Polymer segment is to expand its product offering and target new customers to become a preferred global supplier. In our Consumer Products business, the Company is looking at aggressive expansion in distribution in the coming years to support the demand growth.

In Retail segment, focus will be to stabilize sales and maintain healthy margins across all categories. While the 'Food and Essentials' categories seem set, the focus will be on range based proposition in 'Apparel' and in 'Home Needs'.

### **Corporate Restructuring**

Keeping in view its objective to achieve synergy in existing business operations, Jubilant has strategically positioned its Food Polymer and VP Latex businesses with Jubilant Agri & Consumer Products Limited (JACPL), a wholly owned subsidiary of your company. Jubilant Industries Limited (JIL) continues to be the parent Company and will continue to have business of contract manufacturing of Indian made foreign liquor.

### **Dividend**

The Board of Directors of the Company propose to reinvest the cash generated from operations for business growth and expansion and hence have not recommended any dividend for the financial year ended March 31, 2013.

### **Q1 FY 14 Performance**

For the first quarter of current financial year 2013-14, we are pleased to report good performance in most of thesegments. Revenues were at Rs. 220 crore for the quarter with the EBITDA loss of Rs. (2) Crore. Agri Business contributed 17% to the revenue mix, Performance Polymers 42% and balance 41% came in from Retail.

## **Outlook**

We will drive operational excellence to achieve even greater productivity and efficiencies as we grow our business and are confident in setting up new standards.

Going forward, we are concentrating on expanding our geographical footprint in agribusiness, expanding our customer base and product portfolio in Performance Polymers and getting the store financials prototype developed and validated. We are happy to report that at retail store level we have started generating positive EBITDA.

We would like to take the opportunity to thank every stakeholder viz. shareholders, employees and customers / partners in the Company for being a part of this growth story and value creation. We remain grateful towards our employees, customers, vendors, bankers and shareholders for their continued support. We are hopeful that they will remain with us as we venture into the future which holds unbounded promise.

Thank you