

TRANSCRIPT OF THE 32nd ANNUAL GENERAL MEETING OF UFLEX LIMITED HELD ON MONDAY, 27TH SEPTEMBER, 2021 AT 03:00 PM THROUGH VIDEO CONFERENCING

Mr. Ajay Krishna- “Good Afternoon, Shareholders, I am Ajay Krishna, Company Secretary of your company. On behalf of the directors, I welcome all the members at this Annual General Meeting of Uflex Limited.

Due to COVID -19 this Annual General Meeting is also being held through Video Conferencing / other audio visual means in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. We hope that you and your dear ones are safe and healthy during this health emergency.

The Registered Office of the company situated at New Delhi shall be deemed venue for this AGM and proceedings of AGM shall be deemed to be made thereat.

Let me introduce our Board Members, Executives and other members on the panel, who have joined us for this meeting:

- Mrs. Indu Liberhan, an Independent Director and Chairperson of Audit Committee and Nomination and Remuneration Committee.
- Mr. Jagmohan Mongia, Whole Time Director
- Mr. Achintya Karati, Independent Director and Chairperson of Stakeholders Relationship Committee.
- Mr. Pradeep Narendra Poddar, Independent Director
- Mr. Alok Sabarwal, Director, Nominee of IFCI.
- Mr. Rajesh Bhatia, CFO of the Company
- Mr. Deepak Sehgal Partner of M/s. KAAP & Associates, Chartered Accountants and the Statutory Auditors
- Mr. Mahesh Kumar Gupta, Practicing Company Secretary - The Secretarial Auditors
- Mr. S.P. Gupta of M/s Beetal Financial & Computer Services Pvt. Ltd. is joining as a host for this Annual General Meeting.

We also have with us Mr. Rakesh Malhotra, Assistant Vice President of Corporate Accounts and Head Investor Relations Mr. Vinu Saini, V.P. -Finance.

On behalf of the company, I welcome all the Board Members and all the panelists for being with us today.

Mr. Ashok Chaturvedi, Chairman & Managing Director of the Company, could not join the meeting due to certain exigencies and therefore, directors have proposed Mrs. Indu Liberhan to be the chairperson for this meeting in accordance with Articles of Association.

The participation of members through Video Conference is being reckoned for the purpose quorum as per circular of Ministry of Corporate Affairs.

Requisite quorum being present, I request the Chair to call the meeting to order and to address the shareholders. Mrs. Indu Liberhan

Mrs. Indu Liberhan: Welcome to everyone. The requisite quorum being present I call the meeting to order.

I will now read out Chairman's Speech.

Dear Shareholders,

It gives me immense pleasure to share with you our performance for the year and prospects on the way forward. I appreciate your support and confidence in us, which enthuse us to work harder towards creating greater value in the flexible packaging industry.

The outbreak of coronavirus disease (COVID-19) has created an unprecedented global health crisis that has a deep impact on the businesses and economy. Company operates in multiple countries across the globe and all these countries had imposed lockdowns of varying types aimed at containing the spread of the virus. Since Flexible Packaging Films and Flexible Packaging, which is predominantly used in food and Pharma packaging, all out efforts were made by all countries to ensure the adequate supply of food and medicines to the public, which was made possible only due to seamless continued operations of packaging industry. While your company did face initial administrative and supply chain challenges in some countries during initial lockdown period, but there was no impact on its overall production and sales volumes during the period. Though, impact of Corona Virus on human health and economy is uncertain and cannot be predicted yet company is determined to minimize adverse impact on the business.

After an unprecedented contraction in the first half of 2020, world economic growth rebounded in Quarter 3. However, growth in Q4 moderated with GDP slowing to 4% and ultimately for the full year of 2020 GDP contracted by 3.5% as compared to 2.9 % in the previous year.

Flexible packaging is one of the rapidly growing segments of the packaging industry. From convenience and durability; ease in opening and resealing; overall cost saving; and high portability, flexible packaging has cemented itself in the packaging world, and has undoubtedly become a contributor to packaging industry growth.

The Global Flexible Packaging Market was valued at around USD 230.00 billion in 2020 and it is projected to be worth around USD 290.00 billion by 2026, registering a CAGR of around 4% during the forecast period (2021- 2026).

Technological advancements in packaging play a vital role in driving the growth of flexible packaging market. Advanced technology in packaging has allowed companies for innovation in products instead of sticking to traditional methods of packaging.

Flexible packaging offers various environmental advantages viz. low raw material consumption, low carbon footprint, and relatively low waste produced as compared to conventional packaging formats.

Financial Performance-

Despite the Challenging Financial Year 2020-21 due to pandemic, Company rose above the challenges to post exemplary performance in FY2020-21 with surge in Consolidated Net Profit of 128% to Rs. 842.90 crores and EBITDA surges 64.8% to Rs. 1827 crores.

On standalone basis companies Net Profit increased by 61 % to Rs. 230.44 crores and EBITDA surges 24.27% to Rs. 616.42 crores .

Owing to the rising focus on sustainability, traditional rigid packaging solutions are being substituted by innovative and more sustainable flexible packaging. The growing market demand for customer-friendly packages and high level of product protection is expected to boost flexible packaging as a viable and cost-effective substitute.

E-commerce, digital printing and sustainability are driving market development and growth.

The growth in the flexible packaging industry in India is mainly driven by FMCG sectors.

UFLEX is committed to converting good environmental, social and governance approach into practical and tangible actions. As part of its focus on reducing plastic pollution thus diminishing harmful impact on environment and doing well for the society, UFLEX has been building recycling infrastructures to give a new life to plastic, beyond its original use. Extending its efforts to keep plastic in the economy and out of the environment under its global sustainability campaign 'Project Plastic Fix', Company is setting up a recycling plant in Poland and Mexico.

Company being a key member of Multi-layer Plastic Films Sanitation Trust (MLPFST) is also supporting Municipality of Bengaluru to install, operate and sustain Municipal Solid Waste (MSW) Sorting and Segregation Plant.

Your Company strongly believes that Human Resources are the principal drivers of change and the employees are pillars of an organization and it has continued to invest significantly in developing talent across all levels. The Company focuses on providing individual development and growth in a professional work culture that enables innovation and ensures high performance. This strong belief of your Company has translated excellent performance during Financial Year 2020-21 despite pandemic and adverse working conditions. We take this opportunity to thank all employees in building a strong, vibrant and responsible organization.

Our sincere gratitude to all valued Stakeholders, Customers, Regulators, Financial Institutions, our Bankers, Dealers, Suppliers and Clients for their continued patronage. I would also like to thank Government of India, State Governments and Governments of all the Countries where we are present

for extending support in our endeavors. I convey my sincere appreciation to my esteemed colleague Board members for their continued support.

I thank you all for being with us today. Thank you.

I now request Mr. Ajay Krishna to take the process of the AGM forward.

Mr. Ajay Krishna: Thank you Indu ji.

With the permission of chair, let me quickly take you through the general instructions to members for participation in this meeting.

- The Facility of Joining this Meeting through Video Conferencing is made available for the members of First Come First Serve Basis.
- The Register of Directors and Key Managerial Personnel and the Register of Contracts are available electronically, at the website of the Company, for inspection of the members during the AGM.
- Pursuant to MCA circulars, the facility for appointment of proxy by the members was not applicable and therefore, the proxy register is not available for inspection. Similarly facility for voting by show of hand is not available.
- The Company had provided the facility to cast votes electronically via remote e-voting on all resolutions set forth in the notice from 24th September (9:00 a.m.) to 26th September (5:00 p.m.)
- Members who have not casted their votes via remote e-voting and also are interested in participating in this meeting now have an opportunity to cast their votes today through the e-voting system provided by CDSL.
- E-voting facility is already open to the Members to cast their vote and shall be available for 30 minutes after this meeting.
- The Board of Directors have appointed Mr. Mahesh Kumar Gupta, Practicing Company Secretary, as Scrutinizer to supervise the e-voting process. He is also present as panelist.
- The resolutions set forth in the notice shall be deemed to be passed today, subject to receipt of requisite majority votes. The results of this AGM will be posted on Web-site of the company, sent to stock exchange and also given to service provider.

The Company has taken all feasible efforts to enable its members to participate and vote at this AGM. We have sent notice of AGM along with Directors Report, Statutory Auditors & Secretarial Auditors Report and Standalone & Consolidated Annual Accounts for year 2020-21 within the prescribed time. The Company has also given mandatory pre & post-dispatch advertisements regarding the AGM. I thank all members, Hon'ble Board Members, Other panelists for joining this meeting through Video Conferencing.

Notice dated 14th August, 2021, convening this Annual General Meeting and the Report of Directors and Audited Financial Statements for the year ended 31st March, 2021 have been circulated to the members of the Company and therefore notice is being taken as read.

Also Statutory Auditors Report and Secretarial Auditors Report is unqualified and there is no qualification, observations, adverse remarks, comments in their report therefore, is being taken as read too.

There are total of 7 Agendas items to be transacted, which are

- To consider and adopt –Audited Financial Statements as at 31st March, 2021, the reports of the Board of Directors and the Auditors thereon; and Audited Consolidated Financial Statements as at 31st March, 2021 and Report of Auditors’ thereon.
- To declare dividend for the year 2020-2021.
- To appoint a Director in place of Shri Ashok Chaturvedi, who retires by rotation and being eligible offers himself for re-appointment.
- Appointment of M/s MSKA & Associates, Chartered Accountants as Joint Statutory Auditors and fixing their remuneration
- To Appoint Mr. Jagmohan Mongia as a Regular Director liable to retire by rotation.
- To appoint Mr. Jagmohan Mongia as Whole-time Director of the Company for five years w.e.f. 11th February, 2021
- Ratification of remuneration of Cost Auditors of the Company.

A gentle reminder to all the shareholders who have not casted their votes so far that e-voting facility is already open and will remain open for 30 minutes after the close of meeting.

The Company has received several queries from the shareholders, But generally they have expressed their satisfaction on the performance/results by saying – the “We are a satisfied shareholders”. That’s a very heartening to note. However, some have raised concerns about environmental laws and generally that plastic is polluting the environment. They want to know if any environment law is adversely impacting business of the Company and also what steps is the Company taking to recycle plastic products and conserve an environment.

I request Mr. Jagmohan Mongia, Whole Time Director to respond to the shareholders queries. Mr. Jagmohan Mongia, Hello, Hello?

Mr. Jagmohan Mongia: Thank you and good after noon to everybody present at this virtual meeting, Yes, there are a lot of concerns across about the plastic uses, which is happening. Let me assure you on the behalf of the organization that organization is taking their steps as at the beginning of the meeting Indu ji has briefed all of us in order of plastics as we know plastics can be recycle. Indu ji has already said that Uflex Limited has already taken steps for setting-up recyclable units to start with in India and we are also setting such units in both Mexico and Poland.

So, any kind of plastic the Uflex motto is very clear to put an end to the plastic. With the end of the plastic we are talking about recyclability/reuses. There are lot of products which can be made by the recycling of the product. So, there is no such challenge or threat to the organization involving the plastic manufacturing.

Mr. Ajay Krishna: That's it.

Mr. Jagmohan Mongia: yes

Mr. Ajay Krishna: Thank you Jagmohan, Now, I request Mr. S.P. Gupta to unmute the speakers so that we can address the queries to Balance Sheet. Mr. S.P. Gupta

Mr. S.P. Gupta: Yes Sir, Mr. Jeevan Kumar; I'm just putting it on. Mr. Jeevan Kumar, kindly unmute yourself. Jeevan ji maine unmute kar diya hai aapko awaj aa rahi hai, aapki awaj nahi aa rahi jara jor se boliye, Mr. Jeevan

Mr. Jeevan Kumar: Am I audible?

Mr. S.P. Gupta: yes, yes, please speak

Mr. Ajay Krishna: Please speak Jeevan, Mr. Jeevan Kumar.

Mr. S.P. Gupta: Mr. Jeevan Kumar, aapki awaj aa rahi thi, aap boliye please.

Mr. Jeevan Kumar: Congratulations to the management for posting excellent result for the financial year 2020-21. As I am a professional while going through the balance sheet, I want to ask two questions from the management .

My first question is Inventory has increased about 30% from Rs. 220 crores to Rs. 298 crores in standalone basis and from 855 crores to 1151 crores in consolidated basis and my second question is that Freight and Forwarding cost on standalone basis has increased from 79 crores to 110 crores. These two items have an abnormal increase and will request the management to let us know the reason. Thank you

Mr. Ajay Krishna: Mr. Rakesh Malhotra, Can I request you to respond this query of Mr. Jeevan Kumar. Mr. Rakesh

Mr. Rakesh Malhotra: Good Afternoon, yes though these are increases in absolute number but if you see as a percentage to revenue, the inventory level for the FY 2021 is reduced. As in FY 2020 it is about 11% on consolidated basis whereas in FY 2021 it is roughly around 10.24%. In absolute number there may be an increase but turnover has increased, inventory is increased for standalone. In consolidated there are two factors which lead to the increase in inventory, one is addition of the two locations that is as Hungary and Nigeria where the inventory has been accumulated to the extent of 175 crore and they are not in operation, as a result their revenue is not there but if we exclude this amount the inventory level in consolidated will also reduce from 11.12% in FY 2020 to around 10.7% in FY 2021. If you compare inventory level to the increase in revenue it's normal and it is not at an abnormal level.

Further Increase in a freights this is based on two facts which lead to increase in freight, one is because of increase in revenue, freight has gone up and another is because international sea freights are high as a result there is an abnormal freight in the export sales i.e. Approximately 10-15 crore which lead to

the abnormal increase, rest all is linked to the increase in sales. So, it's also on the normal level not on abnormal. Thanks

Mr. Ajay Krishna: Thank you, any other speaker Mr. S.P. Gupta.

Mr. S.P. Gupta: Sir, no other speaker

Mr. Ajay Krishna: Thank you so much, a gentle reminder to all the Shareholder that e-voting is already open and will continue to remain open for 30 minutes after the meeting.

And I thank all the Shareholders/Directors and other stakeholders who have taken their time to attend this meeting through Video Conferencing and wish you all to stay healthy and safe.

I now propose a Vote of thanks to the Chair. Thank you

Mrs. Indu Liberehan and other Panelists: Thank you