

TRANSCRIPT OF THE 31ST ANNUAL GENERAL MEETING OF UFLEX LIMITED HELD ON THURSDAY, 17TH SEPTEMBER, 2020 AT 11:00 AM THROUGH VIDEO CONFERENCING

Mr. Ajay Krishna- Good morning, Ladies And Gentlemen, I am Ajay Krishna, Company Secretary of your company. On behalf of directors, I welcome all the members and the stakeholders to the 31st Annual General meeting of Uflex Limited.

The world today is facing Corona Virus pandemic, which has affected everyone around the globe and has led to unprecedented uncertainties. We hope that you all and your dear ones are safe and in good health and continue to remain safe and healthy during these difficult time.

The Company is holding this Annual General Meeting through Video Conferencing/ other audio visual means in accordance with the circulars issued by the Ministry of Corporate Affairs & SEBI. This facility is made available for one thousand (1000) members on first come first serve basis except for large shareholders, institutional investors, directors, KMP's, Statutory Auditors and Secretarial Auditors etc.

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

Before proceeding further, let me introduce our Board Members, Executives & other members on the panel who have joined us for the meeting.

Mrs. Indu Liberhan, an Independent Director and Chairperson of Audit Committee and Nomination & Remuneration Committee joins us from her residence in New Delhi.

Mr. Amitava Ray, Whole Time Director, he joins from his office of the Company.

Mr. Achintya Karati, an Independent Director and Chairperson of Stakeholders Relationship Committee joins us from his residence in Delhi.

Mr. V. Anish Babu, Director, Nominee of IFCI, joins the meeting from his office in Delhi

Mr. Rajesh Bhatia, CFO of the Company, has not been able to join so far because of the connectivity issues. He is still trying.

Mr. Deepak Sehgal, Partner M/s KAAP and Associates, Chartered Accountants and the Statutory Auditors of the Company.

Mr. Mahesh Kumar Gupta Practicing Company Secretary- the Secretarial Auditors of the Company & Mr. S P Gupta is joining from his office as a host for this Annual General Meeting.

On behalf of the company, I welcome all the Board Members and other 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 Article 31 of the Articles of Association.

Mr. Karati- Yes OK.

Mr. Ajay Krishna - On behalf of the Chair, I would like to inform the members of the Company that other have not been able to join because of their pre-occupations.

The participation of members through Video Conference is being reckoned for the purpose of quorum as per circular of Ministry of Corporate Affairs. Requisite quorum being present, I request the Chair to call the meeting to order and address the shareholders.

Mrs. Indu Liberhan, Can you hear me?

Mr. Ajay Krishna - Yeah, we can hear you.

Mrs. Indu Liberhan - Good Morning everyone and welcome to this AGM. The quorum being present I call the meeting to order.

I will now readout the chairman speech for everyone

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 COVID-19 pandemic has changed the world dramatically in just a few months. While the future remains uncertain, we are working very hard to protect the interests of our stakeholders. Much like other businesses operating in the COVID-19 pandemic, our organizational agility and adaptability have been put to the test. We are grateful to our employees who have worked tirelessly to accomplish extraordinary things amidst unprecedented conditions, So that our clients can continue to provide essential services with little or no disruption. We are pleased to inform that Company has adapted to the changed circumstances with extraordinary pace and started fulfilling the customer needs without losing focus on health and safety of employees.

In 2019, the world economy expanded at its slowest pace since the global financial crisis. The Global economy witnessed slow growth of 2.9 percent in 2019 compared to 3.6 percent in the previous year. India's economy grew at a slowest pace in over six years in the first Quarter of Financial Year 2019-2020 following a sharp deceleration and in consumer demand and tepid investment. However, India's growth in Financial Year 2019-20 moderated to 4.2 percent with a lockdown related to COVID-19 impairing economic activity in the last quarter of the financial year 2019-20.

I'll look at the industry. Flexible packaging is one of the rapidly growing segments of the packaging industry. The market is growing rapidly with flexible packaging ensuring food safety, enhanced value of food products, extended shelf-life, heating and moisture barrier, effects permeability and ease of use. Consumers because of their busy lifestyles prefer to this packaging type, because of its commitment to convenience, aesthetic appeal and durability. Flexible packaging industry will continue to grow rapidly in the upcoming years as well .

As the world is moving towards Sustainability, the bio-based and bio-degradable packaging materials are expected to create a profitable future in the flexible packaging. Cost effectiveness and increase shelf life of the products is increasing the demand for flexible plastic packaging.

Now we'll look at the financial performance. Despite the challenges throughout Financial Year 2019-20. I am glad to inform you that the Company has had a strong year with a surge in Consolidated EBITDA by 10.06 percent and standalone EBITDA by 28.27 percent. The full year Consolidated PAT was up by 17.83 percent at INR 369.82 Crores and full year Standalone PAT was up by 177.33 percent at INR 143.27 Crores.

Due to the pandemic, consumption trends have witnessed a shift and flexible packaging has gained much more importance especially because of the hazards attached to non-packaged products. This resulted in higher production and sales volume for the company. You may have all seen that Quarter one Financial Year 2020-21 one has been a quarter of great progress for your company. Quarter one results of your company are available on the company's website.

How the company looks in the future? Plastic waste management has been a burning issue globally. As a manufacturer of flexible plastic packaging and an environmentally responsible Corporation. UFLEX is conscious of the value of plastic as a commodity as well as the threats that uncollected waste poses and is working towards

problems of plastic waste, its collection and reusability. The Company has already launched a global sustainability initiative Project Plastics Fix in September 2019 with a vision to make the Company part of a solution to keep plastic in the economy and out of environment by recycling and reducing plastic waste.

Details of work done by your Company towards the above goals and also Awards and Accolades won by your company, have been adequately covered in the Management Discussion and Analysis Report “the MDA” forming part of the Directors Report and therefore, for the sake of brevity, it is not being touched upon here.

Global flexible packaging market was worth US dollars a 112.8 billion in 2019. The market is growing rapidly with flexible packaging ensuring food safety, enhanced value of food products, extended shelf- life, heating and moisture barrier, effective permeability and ease of use. Consumers also prefer this packaging type because of its commitment to convenience, aesthetic appeal and durability. Increasing addition of layers into a flexible packaging structure in order to improve the functionality and economic viability of the flexible packaging is expected to offer immense growth opportunities.

Your company is striving hard and taking all possible efforts to provide its customers with innovative and sustainable packaging solutions that are economical and is also working on introducing a Biodegradable and Recyclable packaging solution that will convert uncollected plastic waste/laminate waste into biomass upon degradation.

Your company strongly believes that Human Resources are the principle drivers of change and the employees are pillars of an organization and it has continue 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 into excellent performance Quarter one of 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 our valued Stakeholders, Customers, Regulators, Financial Institutions, Bankers, Dealers, Suppliers and Clients for the continued patronage. I would also like to thank the Government of India, State Governments and Governments of all the Countries where we are present for extended support in our endeavors. I convey my sincere appreciation to my esteemed colleague, Board Members for the continued support. I thank you all for being with us today. Thank you now, I request Mr. Ajay Krishna to take the process of the AGM forward.

Mr. Ajay Krishna-Thank you Indu Ji and thank you all.

Let me just quickly take you through the general instructions to the members for participation in this meeting.

The facility of joining this Meeting through Video Conferencing is made available for one thousand members on First Come First Basis

The Register of Directors & Key Managerial Personnel & the Register of Contracts etc. are available electronically at the website of the Company, for inspection of the members during the Annual General Meeting.

Pursuant to Ministry of Corporate Affairs circulars the facility for appointment of a proxy by members was not applicable and therefore, the proxy register is not available for inspection. Similarly facility for voting by show of hands is not available.

The Company had provided the facility to cast votes electronically via remote e-voting on all resolutions, set forth and the notice from 14th September from (9:00 AM) to 16th September (5:00 PM) The Members who have not casted their votes via remote e –voting and who are participating in this meeting will now have an opportunity to cast their votes today through the e-voting system provided by CDSL.

E-voting facility is already open for Members to cast their vote and shall be available for thirty minutes after this meeting.

The Board of Directors has appointed Mr. Mahesh Kumar Gupta, the Practicing Company Secretary, as Scrutinizer to supervise the e-voting process. He is also present on the panel.

The resolutions set forth in the notice shall be deemed to be passed today subject to receipt of the requisite majority votes. The results of this AGM will be posted on Website on the company, sent to the stock exchange and also given to the service provider.

The company has taken all feasible efforts to enable its members to participate and vote at this AGM. We have sent the notice of AGM, along with Directors Report, Statutory Auditors & Secretarial Auditors Report. The Standalone and Consolidated Annual Accounts for the year 2019-20 within prescribed timeline by the statute and given mandatory pre and post-dispatch advertisements regarding the AGM. I thank all the members' honorable Board Members, and other panelist for joining the meeting through Video Conferencing.

Notice dated June 30th 2020 convening this AGM and the report of the Directors Audited Financial Statements (Standalone and Consolidated) for the year ended 31st March 2020 have already been circulated to the members of the Company & is being taken as read.

The Statutory Auditors and Secretarial Auditors have expressed unqualified opinion for Financial Year 2019-20 there are no qualifications, observations, adverse remarks and comments in their report, and therefore is being taken as read too.

Taking on the details and business given the notice that has to be transacted today at the meeting for which shareholders have to cast their votes one is :

To consider and adopt –

Audited Financial Statements as at 31st March, 2020, the reports of the Board of Directors and the Auditors thereon; and Audited Consolidated Financial Statements as at a 31st March, 2020 and Report of Auditors thereon.

To declare dividend for the year 2019-2020.

To appoint a Director in place of Shri Ashok Chaturvedi who retires by rotation and being eligible offers himself for re appointment.

Ratification of remuneration of Cost Auditors of the Company.

We now take up the questions from the shareholders, I understand there are a few shareholders, who have written to the company and our desirous to ask some questions and we will take a couple of them. In future too, if you have any questions, please send your queries to the company on email and we will try to address them suitably.

Now, I request Mr. S.P. Gupta to have speakers unmuted one by one. So that they can put one more detail we will take on the questions together from the shareholders and then we will reply them together. Thank you.

Mr. S.P. Gupta- Yeah, Sir, 1st Speaker is Mr. Raghav Agarwal; I'm just putting it on. Can you listen me?

Mr. Raghav Agarwal - Yup. Am I audible?

Mr. S.P. Gupta- Yes please.

Mr. Raghav Agarwal - Yes, sir, thank you

Good morning everyone, I'm glad to see all of you by this video conferencing medium at the outset.

I'm thankful to the management for allowing me to speak at this 31st AGM, starting with the congratulating to whole team of Uflex for delivering excellent performance especially during the period when the world is in trouble due to this COVID-19 crisis. I sincerely extend my congratulations to the whole team. I believe the shareholders are happy and astound as well by the performance of Q1 2020 where the profitability of the company has increased, with the similar top line that they had in Q1 -2019. This is happening and a happy moment for every shareholder these days.

Having said that all this, I have two-three questions in my mind, which I would request the management to answer me considering this COVID-19 situation where our company comes under the essential commodities for supplying the packaging material.

What does the management see about the future prospect? And the performance of the company in this whole year and what we are expecting from our company in this 2020-21 and 2021-22 as well because the public is expecting that this crisis would carry on for two three years in our country considering the large size of population.

The second question is what is the situation for overseas plants? How are they performing are they in trouble due to some lock downs at the overseas plant as well? I hope the Company must have handled them.

Well, the third question is that as per the disclosures of the company on the stock exchanges and some news in the market the shareholders know that the companies in the expansion mode as of now as well. What is their status overseas?

So these are basic three questions, so a request of management to if they could answer these questions and help us for invest more in the company.

Mr. S.P. Gupta - I'm taking the next speaker. Mr. Tarun Sharma

Mr. Tarun Sharma-Yes.

Mr. S.P. Gupta - Mr. Tarun Sharma, I'm just putting it on there.

Mr. Tarun Sharma- Am I audible?

Mr. S.P. Gupta - Yes, sir.

Mr. Tarun Sharma- Okay. Good morning to all. My name is Tarun Sharma and I am shareholder of the company and by profession I am Chartered Accountant. So, first I want to congratulate to the company and the management for such a good result. And I want to ask three questions to the management.

My first question is, in the Standalone Balance Sheet there is an increase of hundred Crores in the inventory. What is the reason behind it?

Second question is, if you see our Consolidated Balance Sheet, there is an increase of sixteen hundred Crores in the borrowings. Why, there is an increase in the borrowings? Why we have taken all these borrowings?

And third is when we have such a good profits, then why are we giving only twenty percent dividends for this year? If in case, you are giving more dividend, we can think of investing more in the company. So if you can please answer my these questions.

Mr. S.P. Gupta - Ajay Ji you can reply now.
Please on your mic.

Mr. Ajay Krishna- Yeah, I think we can take these two to reply and going forward. I have already requested the shareholders to send their queries on email so that they can be replied suitably.

I have with me accounts head Mr. Rakesh Malhotra, who would answer the queries of shareholders.

I'm just turning my laptop towards Mr. Rakesh Malhotra.

Mr. Rakesh Malhotra- Good morning everyone, as to the COVID-19 impact you may have even seen in Financial Performance of Quarter 1 we have try to mitigate this as much as possible.

Our overseas plants because there we are into essential commodities which therefore we are supplying the packaging material to the food industries or pharma industries everywhere it has been put into the essential commodities and not lost even for a single day across the globe. We are working continuously twenty four seven, and that's with the support all our employees. They are working hard to make operational, despite of various problems that we are facing downward trend.

We so far have not seen any adverse impact on our business due to COVID. So far as our expansion plans, you see despite of COVID Russia plant was operational as per scheduled & rest even our Poland expansion was completed as per schedule and the rest of all of the plants are running as per the schedule, we presume that all the projects are completed as targeted by the management.

In India as to the inventory that is piled up in March Quarter is because of the lockdown in the last week of the March as a result of the restrictions on the supply chain and inventories were built up because we were continuously operating our plants which was supplied after the 31st March because of that reason.

So far as borrowings are concern as you know that expansion plans these are mix of internal approvals and borrowing. These are for the expansion plants.

I'm coming to the dividend. You see, in these critical times, COVID-19 where companies are conserving the cash flows still we are maintaining the twenty percent so that there should not be any potential concerns to the shareholders as well, though. Still we have maintained a dividend the ratio to the extent of the last year so that it can be it can be carried for along.

Mr. Ajay Krishna- Thank you, Mr. Rakesh Ji thank you once again.

Very gentle reminder to all the shareholders that e-voting is already open and will continue to remain open for thirty minutes after the meeting is over and we thank all the shareholders, directors and other stakeholders who have taken time to attend this meeting through Video Conferencing and wishing you all a very safe, an healthy time ahead. Thank you and now, I propose a vote of thanks to the chair.

Thank you. Thank you Indu Ji Thank you directors. Thank you Auditors. Thank you Secretarial Auditors Mr. Mahesh Kumar Gupta Ji.

Mr. S.P. Gupta - Thank you everybody. Should we close the event now?

Mr. Ajay Krishna – Yes, Please do that. Thank you so much. Thank you joining us.

Thank you.