Transcript of the 50th Annual General meeting of the Company
Held on 3rd September, 2021 at 12:00 Noon through Video Conferencing

Introduction by the Company Secretary of the Company Mr. Ankur Srivastava

Good After noon Dear Shareholders!

My Name is Ankur Srivastava and i am the Company Secretary of your Company. I warmly welcome all of you to this 50th Annual General meeting of Kanpur Plastipack Limited. Hope you all are safe and healthy. First of all i would like to congratulate all of you that your Company has Completed historic landmark of 50 years.

Now, before proceeding with the Meeting i would like to share with you some key information regarding the meeting and the voting process.

In view of Spread of Covid-19 pandemic, Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI) have permitted the companies to conduct the Annual General Meetings through Video Conferencing / other Audio Visual Means. In compliance to the circulars of MCA and SEBI the 50th AGM of your Company is being conducted through Video Conferencing.

Please take note that the proceedings of the meetings are being recorded and to ensure seamless proceedings and to avoid any kind of background sound all of you are kept on mute by the Host. Only those shareholders who have registered themselves as speakers will be allowed to speak in the meeting and they will be unmuted for their time slot by the host. Other Shareholders may also raise questions, if any, through the Q&A panel of the NSDL, the Company will reply through email. The questions of the shareholders which are already registered will be answered during the meeting.

The Company had provided the facility to the shareholders to exercise their voting rights through electronic voting. And for the benefit of the shareholders, who are present in the meeting and who had not already voted electronically, the Company has provided facility of e-voting in this meeting as well and the Shareholders who have not already casted their vote through remote e-voting may cast their vote after the proceedings of the meeting.

The voting result and recorded transcript of this meeting will be available on the website of the Company and also on the website of the Stock Exchanges.

Now i request Chairman cum Managing Director of the Company Shri Manoj Agarwal ji to address to the shareholders.

Opening Address by the Chairman Cum Managing Director Mr. Manoj Agarwal:

Good Afternoon Ladies and Gentlemen it is time to start the proceedings of 50th Annual General Meeting of Kanpur Plastipack Limited. I welcome all of you in this virtual AGM. Hope you all are safe, healthy and maintaining the social distancing norms as advised by the Government. I am extremely elated to inform you all that your Company has completed the five decades of service to the Industry. It gives me enormous pleasure to present before you this 50th Annual Report.

I express my gratitude to all the Shareholders of the Company for their continued support and confidence with the Company. I also thank my colleagues on the Board for their valuable guidance and support.

As confirmed by the team, the requisite quorum is present, i call the meeting to Order.

To begin the proceedings Let me first introduce my Colleagues on the Board

1. Mr. Shashank Agarwal, Deputy Managing Director
2. Mr. Sunil Mehta, Executive Director
3. Mrs. Usha Agarwal, woman Director of the Company
4. Dr. Ram Gopal Bagla Independent Director and Chairman of the Audit and Stakeholders Relationship Committee
5. Mr. Prem Singh Khamesra Independent Director and Chairman of the CSR and Nomination Committee
6. Mr. Subodh Kumar Independent Director
7. Mr. Akshay Kumar Gupta Independent Director
8. Mr. Dharam Bir Prasad Independent Director

The team of Statutory Auditors M/s Rajiv Mehrotra and Associates , the team of Secretarial Auditors M/s Adesh Tandon & Associates who are also the scrutinizers for the e-voting and CFO of the Company Mr. Vishal Jain are present. You have already interacted with the Company Secretary of the Company Mr. Ankur Srivastava.

With the permission of the members, notice convening the Annual General Meeting, Directors' Report and the Financial Statements for the year ended 31st March, 2021 were taken as read. Please take note that there was no adverse remark in the Auditors Report, hence, may be taken as read. The members may raise the questions on the Financial Statements and the same will be replied through email.

Chairman Cum Managing Director Shri Manoj Agarwal delivered his speech:

Dear Shareholders, this year your Company completes five decades of service to the Industry. I would first and foremost like to congratulate everyone on this momentous occasion and thank all our stakeholders who have contributed so significantly to our progress. From humble beginnings in 1971 with a single product, single unit Company to Multi products, Multi units Enterprise today, we are proud of this remarkable journey. We have grown on the strength of building relationships with our customers and all Stake holders. It is gratifying to see the outcome of this process.

The year gone by has been difficult for everyone but it was also the year where your Company surpassed record levels of revenue and profits. It was also the period when the resilience and the commitment of Company's team was tested to its extreme. Today, I am happy to see the enormous steps we have taken in marching forward.

The Company continues to focus on exports and developing value added products. Expending the geographical reach has helped us in de-risking the market. The Company is committed to a sustainable and balanced environment. During the year we were able to successfully implement phase I of sourcing our energy needs from Solar Power. By the end of the year almost 40% of the Company's total energy needs are estimated to come from renewable energy sources reducing the carbon footprint by 16000 TPA.

As the Company completes fifty years of its existence it looks forward to a vibrant period ahead and prepares a roadmap for growth and progress. I continue to believe in the strength of our human resources and immense intellectual capital garnered over this long period of time to take the right steps in the right direction. I strongly believe that we will continue to add more value by delivering on our commitments. I would like to thank all stakeholders and once again the entire team KPL for their unstinted support in the challenging year gone by.

Company Secretary Mr. Ankur Srivastava conducted the Question Answer Session:

Shareholders who have send their questions and registered themselves as Speaker Shareholders will be called one by one and they are requested to raise their questions:

Shareholder no. 1 Mr. Shlok Dave DP ID: 1208160023214965 raised below mentioned questions:

1. Can you please comment on the potential of the industry over the medium to long term? Can we grow faster than the industry going forward? If so, what are your plans to cater to this opportunity?

2. What are the trends in Raw Material prices and spreads? What are the expected spreads over the next 2 years?

Shareholder No. 2 Mr. Praveen Sharma DPID-Clients ID: IN300214-12449439 raised below questions:

1. Going forward, what is the vision of the management for the next three years interms of top line, bottom line and new product launches? Also, Kindlyelaborate the plans for new subsidiaries viz 'bright choice ventures pvt ltd'and 'Kanplas earning solutions pvt ltd'.

2. What are the steps we are taking to "de commoditize" our business? Itis important to ensure that at least certain part of business can be insulatedfrom vagaries of cyclicality and provide certain bare minimum solid base to ourprofitability.

3. Since stoppage of MEIS incentives, our exports have been deprived of RoSCTLrefunds and unfortunately are missing from recently announced RoDTEP list also! what is the reason for the same and what is the possibility that we will begetting any refunds of taxes and duties on our exports? (which is of course ourlegitimate demand).

Shareholder No. 3 Mr. Harish Thakershi Shiyad DP/Client ID : 120336000 0075838 was disconnected hence Company Secretary moved forward with next shareholder.

Shareholder No. 4 Mr. S P Mittal DP ID: 1201320000272601 raised below mentioned questions:

1. Being in the FIBC, PP fabric & MFY for several decades and having a dominant market standing both domestically and abroad.
   - Please educate us about the changes in the industry that is driving the growth for us?
   - We see that there are several other players in DIBC and many have grown. How is the competitive landscape and risk thereof?

- From what I understand, India's FIBC exports have been outpacing the global peers. What are the key reasons for this?

2. As per AR 2021, the company has added 22 new customers & 5 new geographical regions during the year.
   - Can you share about your efforts and how does one go about making new clients in outline of business?
   - Do we supply our goods directly to the end consumer or do we sell it through distributor channel or is it a mix of both?
   - How easy or difficult is it for our customers to switch over from us to a competitor?
   - How is the pricing fixed, do we have scope to pass on raw material volatility to our clients?

3. After a gap of two years our operating margins have again improved to 12%.
   - Now, with crude oil again on a rise and overall commodity inflation do we think these margins are sustainable?
   - It seems that company has been moving up the value chain, can you share how much of turnover would be from Value-added products?
   - Given that we are a backward integrated player, how much does that help us in maintaining the margin?
   - Is it the case that all other relevant competitors also have similar backward integration so essentially this helps us stay competitive rather than help us maintain margins?

4. What is our current total capacity and utilization?
   - What kind of peak sales can we do from our existing setup?
   - What are our capex plans for FY22 & FY23?

5. In AR 2021, the company has mentioned about having a strong export order book: Can you please throw some more light on what kind of order visibility we have?
   - We see that advances from customers (4.34 Cr) have also increased YoY, is this the new norm?
   - In terms of order size, how much do we take in the form of advance?

6. What is our outlook for growth for the next 2-3 years?
   - What is the management's vision for the business going forward?
   - The company has incorporated 2 new subsidiary companies. Can you also touch upon your plan for these ventures?
   - Are looking to add newer products. For example: Niche segment of Geo-Textile. There are some cos like Karam, Shri Jagdamba doing some very interesting work.

7. We see a huge build-up of inventory, especially the raw material. Can you please throw some more light on it?
8. Overall the cash flows look a bit weak. Any thoughts of management on it?

9. Export incentives used to be a significant amount for us but have reduced given the changed government policy.
   - Currently, what are export incentives available to us?
   - Has the government come out with any new scheme to replace the earlier MEIS Scheme?

10. Can you please provide some clarity on a couple of housekeeping questions.
    - What is the nature of "Other Direct Expenses" of 32.5cr (PY 23.5cr) classified under Other Expenses?
    - We took a huge debtor write-off of 3.9cr in FY21. What is our policy on bad debts? Why this sudden increase? How do we keep a check?

Shareholder no. 5 Dinesh Kotecha Folio No 1201890000000564 asked number of questions as under:

1. clarify as to what are the evolving factors to be relevant for the Short Term [ST] / medium Term [MT] and 10 years down the lane to fulfill the proclaimed thought of how this legacy is going to be taken forward and how are we going to differentiate in terms of emerging fierce competition present and emerging?.

2. How have you and how do you look at differentiation during disruption of the last 18 months of pandemic Covid 19 still continuing in 2021 and expected to continue till 2023. what were the planned and crucial commitments which remained to be fulfilled in the year and were deferred to 2021-22, and give a small summary of the present five months as what is the impact of the second wave and again any commitments as on date which are likely to be deferred to 2022 and beyond?

3. Any further acquisitions horizontal or vertical envisaged during the current year?

4. What is the installed capacity and the present capacity utilized for each of the product offerings?

5. When can we expect the company to use 100% energy sourcing from solar power?

He continued with many suggestions and questions which were not already registered hence it was suggested and requested to please send all those questions through email and the Company Secretary of the Company will provide answers to those questions.

Thereafter **Shareholder No. 3 Mr. Harish Thakershi Shiyad DP/Client ID : 120336000 0075838** was called again but he was disconnected and as there was no other registered shareholder for the Question Answer session, Company Secretary closed the Q/A session.

Company Secretary Mr. Ankur Srivastava continued:

Thank you. We have noted the questions of the shareholders and appreciate the concerns raised by the shareholders. The Answers will follow after the presentation of a short video clip.

Then the Video Clip was played.

Company Secretary Mr. Ankur Srivastava then requested Chairman to give answer to the questions of the shareholders.

Answers by Chairman Cum Managing Director Mr. Manoj Agarwal:

Dear Shareholder,

We have noted your questions and appreciated your concerns. It is noted that basically the questions are based on capacity, raw material and its global scenario, growth, Capex and future plans.

I would like to give a consolidated reply.

General overviews

We have seen how the pandemic affected everyone & the severity of the second wave in April & May took everybody by surprise. Your Company withstood all these challenges. Your Company has over the years diversified it's product mix by consistently adding capacity & simultaneously seeking to integrate vertically. Two examples are the installation of a compounding plant to manufacture UV Master Batch and a Plant for making PP Crimped Yarn both of which are important inputs for making FIBC's.

The initiation on solar energy started almost 8 years ago with a small roof top installation. As reported we hope to achieve 40% of our total power demand through renewal energy by the end of this financial year, but to answer Mr. Dinesh Kotecha specifically 100% seems to be a long way off and does not appear to be visible. No doubt it remains an objective.

Our vision is to make Kanpur Plastipack a benchmark in the Industry and carry on the path of diversification and internal growth.

Capacity

The capacity utilization of the Company is at on all time high currently. We have a number of verticals and product groups where the utilization levels vary due to factors like, produce mix, specifications and permissible line speeds. It is safe to say we are running currently at 90%.

Raw Material & Global Scenario

Polypropylene is our principle raw material. It had faced an upsurge in prices between February & May of this year due to the Texas Cold Freeze and consequent plant outages. Crude Oil has been hovering within a small band of $ 65 to $ 75 per barrel as well. The Global Economy is coming back on track and International Trade is picking up. Our Sales numbers for the last Quarter substantiate this.

Marketing

The Company continuos to lay emphasis on Value Added Products the principle product of which is making Certified Food Grade Bags from our clean room facility. I am glad to report that we have just been granted **'AA' Grade by Intertek for BRC Global Standard** which is very prestigious certification and will help in improving our offerings to customers.

We constantly strive to increase our geographical spread and widen our customers base. The Company's USP has been to build relationships and offer best services to customers which has helped us to be

distinguished as a Company which can be trusted and relied upon. Most importantly our services during the pandemic last year were exceptional leading to a loyal customer base. The Company however continuos to work in a competitive environment and remains focused on ensuring that equally customer retention is important.

While the MEIS was withdrawn unilaterally by the Government two years ago, the market has learnt to adjust itself to the regulatory changes. Clarifiation on RoDTEP are awaited.

Growth & Capex

The Company is on track to cross turnover of Rs. 600/- Crores this year with the advantage of previous Capex coming on stream. FIBC's are labour intensive products and India is now a world leader in the Global Trade of FIBC's. It commands almost 70% of the EU Market and over 45% of USA Market being the single largest source for both these major geographical regions. As their economy opens up demand will remain robust.
Investment in Capacity and Human Resource is an ongoing exercise and we continue to explore opportunities for Capex.

Financial Questions:

Other direct Expenses: Other Direct Expenditure went up by 44% during the year. Basically these are the other variable expenses of manufacturing which are directly linked with the Production of the Company as the production during the year was increased by 42% the Other Director Expenses have also increased accordingly.

Inventory built up: Inventory piled up in March due to purchase amidst a global shortage and in anticipation of increase in the Raw Material Prices. Also there was another part of inventory build up that our many containers could not be loaded to the port due to containers shortage world wide which also led to accumulation of finished goods as on 31st of March. He further informed that foing forward the global crises of availability of containers with its consequential affect on rising ocean freight is a cause for concern.

Debtor Writeoff: The Company for the first time in its history had to write off a receivable from an old Customer in UK who went into Administration during the covid crises.

Company Secretary Mr. Ankur Srivastava : Thank you So much Chairman Sir. I hope these brief answers would cover most all the queries. For the remaining queries and the queries which we will receive from the Q&A panel of NSDL the Company will send the answered to the shareholders through email. We now move to the next part of the proceedings and i request Chairman Sir to please put up the agendas of the AGM to vote.

Chairman Cum Managing Director Mr. Manoj Agarwal put the resolutions to Vote:

I trust you must have received the Annual Report and Notice of the AGM and noted the agendas for which you have to vote. Let me remind you that voting will close after 15 minutes from the time of closure of this meeting.

Before putting up the resolutions to vote, this is to inform you all that item no. 5, the proposal of issue of Bonus Shares, as per the procedural and technial norms the in-principle approval from the Stock Exchanges shall be given after the approval of the sharehohlders. Therefore the record date has to be fixed by the Board of Directors separately. Hence, at para no 'a' the Record Date of 26th August, 2021 be read as **"as may be decided by the Board of Directors."**

As shareholder i propose the above change in the resoluiton no. 5

Mr. Shashank Agarwal Client ID: IN30154931643626, Deputy Managing Director of the Company being shareholder seconded the same.

Thereafter Chairman Cum Managing Director put all the resolutions to vote.

Chairman Cum Managing Director's Closing remark:

I express my sincere thanks to all of you for sparing your time to attend this meeting and for your kind cooperation during the meeting. Your continued support is invaluable to us.

In addition, I would take this opportunity to express our thanks to various Government Authorities and Bankers for their continued support in course of Company's operations.

There being no other matter to be carried, i declare this meeting to be concluded.

Stay safe and take good care of your health.

Meeting concluded at 12:53 PM.