

STANPACKS (INDIA) LIMITED **TRANSCRIPT OF 29TH ANNUAL GENERAL MEETING**

Chairman: Good morning ladies and gentlemen.

It is a great honor and privilege for me to welcome all of you on behalf of Stanpacks (India) Limited and it is a pleasure to connect with you all in this occasion of 29th Annual General Meeting of your Company. Your presence, though virtual, in this important meeting, is the testimony of your strong support and faith in us and this inspires us to achieve newer milestones of success. I understand for that.

Chairman: I wish to inform the members that 21 members are present during the start of the meeting and the requisite Quorum for the meeting is present. I call this meeting to Order.

Chairman: I feel elated to introduce to you the Directors and Auditors of the Company present among us in this Meeting through Video Conference:

Sri. G V Gopinath, Managing Director

Sri. R Sukumar, Independent Director & Audit Committee Chairman

Sri. G S Sridhar, Joint Managing Director & Chief Financial Officer

Sri. S Ramakrishnan, Independent Director & Nomination and Remuneration Committee Chairman

Sri G.S. Rajasekar, Director

Smt. Shobha Gupta, Independent Director

AnupHegde, Company Secretary

Sri Sri Narayan Jakhota, representing M/s. J V Ramanujam & Co, Statutory Auditors of the Company

Mrs. Lakshmmi Subramanian, Practicing Company Secretary, representing M/s. Lakshmmi Subramanian & Associates, Secretarial Auditors of the Company.

Chairman's Speech: Now, I am happy to read my speech, I feel honored and privileged to address you all in this occasion of 29th Annual General Meeting of the Company. Presently, we are living in unprecedented times. We are facing a crisis that affects us all everywhere in the world. It is a moment that calls for solidarity and that require each one of us to take responsibility and play our part. We have decided to hold this Annual General Meeting through Video Conference to ensure the smooth running of the Meeting while taking care of everyone's health.

Now let us move on to the business today. I would like to start with a brief overview on the happenings during the year, performance of your Company, future prospects and strategies adopted. We will then move onto the formal part of the meeting when we propose the resolutions set out in the notice of meeting.

I wish to inform you all that the Annual Report of the Company for the Financial Year 2019-20 including Notice, Board's Report, Management Discussion and Analysis Report, Audit Reports and the Financials has been circulated through electronic mode to all the members,

whose email ids were available in the records of the Company as on date of sending the notice, this time as per the relaxation provided by the Ministry of Corporate Affairs. The Annual Report had also been uploaded and is made available in the website of the Company and the website of Bombay Stock Exchange.

I may, at the outset, take this opportunity to brief the distinguished Members about the Company's performance during Financial Year 2019-20 and the environment against which the performance was accomplished.

The company's performance during the Financial Year 2019-20 again demonstrates the strength of a consistent and responsibly implemented strategy and that developed the business as a winning organization in the present highly competitive scenario. Let me now take you through the highlights of our financial performance, following which I will discuss our progress on the vision and strategies for your organization.

While FY 2019-20 has been a challenging year to perform for the Company, it witnessed significant decline in sales and revenue but still achieving positive bottom line. Your Company registered a gross turnover of Rs. 2,730.84 lakhs during the year as against Rs. 3,658.39 lakhs in the previous year. Profit after Tax (PAT) for the year 2019-20 stood at Rs. 7.02 lakhs. Your Company has maintained a stable financial position, despite the prevailing adverse market conditions. The Annual Report sent to you gives a detailed overview of your Company's Performance across various quantitative and qualitative parameters during the year 2019-20.

This FY was marked by high inflation on the raw material front leading to a tightening of the operating margins. And though we were able to recover a part of the margin pressure through price increase, the uncertain demand conditions meant a consistent drive in the business to optimize its cost structure to alleviate the margin pressure. FY 2019-20 had also marked the outbreak of Covid-19 pandemic at the later part of the Financial Year which has severely impacted the global economy as well as country's economy and our Company is not an exception to it.

In FY 2019-20, we have increased cost efficiencies through judicious management of raw material and inventories, deployed best-in-class technology, managed cash flows, focused on value-added products; added new territories and aligned long-term business strategies with diverse stakeholder expectations. Hence, the Company was able to maintain a positive bottom line despite several challenges.

In spite of various odds and threats faced in the year under review, your Company continuously focused on product innovation considering the changing consumer preferences and market trend and with the continuous support of promoters and bankers, trying to achieve the targeted results.

Sri G.V. Gopinath and Sri G. S. Sridhar were appointed as Managing Director and Joint Managing Director during the year Financial Year 2019-20. The Board of Directors in their meeting held on 29th June 2020 has approved reappointment of Sri. R. Sukumar and Smt.

Shobha Gupta as Independent Directors of the Company. This subject forms part of the Notice of 29th AGM for approval of the Shareholders.

The optimum combination of professional and eminent Boards' structure will give your Company, the strength to endure the difficulties and support to improve overall operations. I gratefully appreciate the insights that the experienced Directors have brought to your Board's deliberations, which have helped the Management to take right decisions at right times.

Our Company has always maintained extremely high standards of Corporate Governance and we follow a culture that is built on our core values of ethical business conduct.

The COVID-19 pandemic is extraordinary and unprecedented. It has impacted the world and every country, business and individual. These are not easy times for any of us, and our clients are dealing with several challenges as well. For instance, clients who are dealing in non-essential items were completely non-operative for 2 months during the lockdown. However, your Company had received requisite permissions from the relevant authorities to start operations in the month of April for supplying goods to entities engaged in essential services alone. With gradual relaxations being given by the Central Government in the month of May, the Company had increased its manufacturing operations by improving its production capacity which was still below its actual capacity. The employees engaged in administration of the Company were provided with required facilities to work from home during the lockdown. The outbreak of pandemic and the lockdown has moderately affected the operations of the Company.

Almost 6 months has passed from the effect of Covid-19 in India and we are all used to the New Normal now, so does the Company and its functioning. Presently, we have been operating with all necessary precautions ensuring the safety of the employees starting right from the commutation of employees from their home, using sanitizers, wearing face masks, maintaining social distancing throughout the work hours including lunch break, thermal screening at the time of entry and exit of factory premises, sanitizing the factory premises and vehicles regularly to dropping the employees at their home. This is to ensure that the operations of the Company are conducted smoothly and efficiently without any disruption. Your Company has taken many strategic decisions to face the changing business environment. Your Company being an MSME, would like to make use of the benefits provided by the Government of India in its stimulus package, especially the schemes provided to the MSMEs to mitigate the economic distress caused by Covid-19. Company believes that these strategic measures will reduce the impact of this Covid-19 to the all possible extent and shall go all-out to achieve progress in coming years.

Before I conclude, I would like to thank the Government of India, and the State Government of Tamil Nadu, the Shareholders, Customers, Suppliers, Auditors, the Karnataka Bank Limited and other Bankers, financial institutions and all other organizations for their continuous support to the Company. Above all, I would like to place on record the commendable efforts and commitments shown by our employees, who have always contributed their best for the Company to set new benchmarks.

Thank you once again for the trust and confidence reposed on Stanpacks India Ltd.

Chairman: Now, we shall carry on with the formal proceedings of the Annual General Meeting. Since this AGM is being held through Video Conference, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM, hence Attendance Slip and Proxy Form were not annexed to the Notice.

I am pleased to inform that the members are being allowed to vote during the AGM since the process of ballot voting has been dispensed since this being an AGM through Video Conference.

Chairman: The Report of Statutory Auditors for the financial year 2019-20 do not contain any qualification or adverse remarks hence they are not required to be read out as per the Companies Act, 2013. The report of the Secretarial Auditor contains certain observations and I request Company Secretary to read the Observations made by the secretarial auditor in their audit report and the clarification given by the Company in its Directors Report.
Thank you gentlemen,

Company Secretary: Thank you Chairman Sir. With regard to the Secretarial Audit Report, I wish to deliberate the observations made by Secretarial Auditors in their Report. The Secretarial Audit Report of the Company does not state any qualification. But contains an observation which I shall read as quoted, "the Company due to technical ground is yet to comply with Section 124 and Section 125 of Companies Act, 2013 in accordance with the Show Cause notice received from Ministry of Corporate Affairs dated 07th February, 2020. This pertains to the non-transfer of shares to Investor Education and protection Fund."

We wish to clarify the members that the Company has replied to the said notice received from Ministry of Corporate Affairs with regard to the transfer of shares to IEPF and the Company is in the process of transferring the shares to Investor Education and Protection Fund. We would also like to confirm that necessary actions have been initiated and the process shall be completed in near future to comply with the notice issued by MCA. This clarification has also been provided in the Board's Report.

Chairman: Thank you. With the permission of members, I take the Annexure to Statutory Auditors Report and Secretarial Audit Report as read.

The Notice and Board's Report which has been already circulated to the members, with your permission, I shall take them as read.

I would like to inform the members that we have not received any queries or any request by the members to speak during the AGM. However, we have provided the members with Q&A and raise hand options during the AGM. So, we welcome questions from the members at any point in time during the AGM.

I would like to inform the members that the registers of the Company are open for inspection. On request of the any member, the necessary register shall be displayed via share screen option.

Chairman:

I am pleased to bring to your notice that as per Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, remote E-VOTING FACILITY was offered to Members.

The remote E-voting facilities were carried out between 09th August 2020 to 11th August 2020 for the businesses contained in the Notice of the 29th AGM. M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer for the e-voting process.

All those shareholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM as per the instructions provided in the Notice of AGM circulated to you.

Since the all the businesses requiring shareholders' approval as provided in the notice of AGM is voted through e-voting there is no requirement for taking them in the meeting.

Voting Results will be published in website of the Company as well and in the website of Bombay Stock Exchange within 48 hours. After obtaining Scrutinizer's report, the overall voting results will be published in Company's website and Stock exchange website within 48 hours of the conclusion of this meeting.

CDSL Administrator: Hon. Chairman Sir, I'm sorry to interrupt you we have received seven questions in your inbox. If you wish we can answer those questions in the forum. You can reply on the emails as for your wish. You can reply the questions and can give replies and so I'll just read out the question one by one. Basically the question is from Mr. Abhishek, shareholder of the company. So question, first question is what's the real impact of Covid-19 in percentage of terms how your supply chain has affected?

Managing Director: I can read the question here in Question & Answers box. So I will read out and then I will answer it simultaneously. Fine. Thank you.

We are the long term shareholder of the company I need following details. What's the real impact of coordinating in percent in percentage terms how your supply chain is affected, where you'll see the light in the tunnel and what will be shake and good morning to all of you.

Coming on to the question, Covid-19 is a pandemic, which is affected the entire world and you companies no exception. For the future, I had now having said that we are into packaging industry. Fortunately, we have the and we have been billing to supply to

essential commodity, manufacture markets, a feed fishing industry, then to milk and food dairy industry. And so this is what is kept scoping. This is the backbone in, by which we could start the operations from April, and though we were not able to operate at hundred percent capacity. We are operating at about forty, fifty, sixty percent capacity. This will definitely have an impact. But then the operational part of it, the Vanderbilt part of it is, is taken care of.

So, and we've also taken a support from the bank, which is provided by the central government and that logs to help us to ensure subway will during the. And this is one and second enough we're looking at it like this, this pandemic is now there are two ways of looking at it, one, regretting or taking sympathy out of it and then keeping quite. Second is to see what best we can do at this situation. Your Company has taken a position of trying to ensure what best can be a achieved out of it.

We have been aggressive in getting machines in place. A couple of machines have landed today in place to ensure the manual requirement is to the minimum and our throughout still remains, in spite of a shortfall in manpower availability. And in the next three months, four months, we're seeing a much bright future onto the company. And in fact, this seeing it, that's a blessing in disguise that's coming because opened up opportunities that we have not thought of. So, this is it in the future on.

Managing Director: So the next one, what will be good growth because in the first and second half please give the production capacity and figures in percentage for the month of April May June what was capacity utilization last year and last five years on moving average basis. Now, the exact person, I'll give you an approximate percentage, cause I haven't had for last five years growth figures in the first half and second off now, file. I divide this into four quarters now, quarter one where we will, we have a total of approximately, around five point. Two cost, which is about seventy four percent thirty four percent of the previous here. And quarter two, that is July, August, September we will be around so we'll be around, maybe about eighty percent and quarter Pre quarter for we, we are targeting to reach about eighty five to ninety percent of planned capacity.

Okay. And that the production capacity utilization. Yeah. One set of machinery we are at forty percent. Fifty percent and the balance mission we, we are almost done. We will eventually get to eighty percent. What does it get past utilization of last year? Last year? We were, we were with the capacity installed sixty, five, seventy percent in April. Of course we were very low. Our utilization was only about twenty percent twenty five percent major. We were about fifty to sixty percent. Okay, and the current awareness, and subsequent lockdowns have left literally, no understand touched after the call. How many employees we have set higher salary a cut in percentage if any enough for the company is concerned, the employees, or the key for some of any company or any business or any country.

Now, if we have not set or remote any employee, who, who on those who have shown intend to continue on, who are able to reach we have from the company and we have not stopped. Yeah. And there were a couple of them who could not continue due to their own

personal inability to reach because of public transport, not being available. And we had we had two parties, but by last time, there was no pay. Yes.

The executive directors have taken fifty percent pay cut in the month of April, but all employees we have not made any tickets because of this pandemic. What are the innovations a new product launches date after April? First.

Innovation yeah, we have made it is still a message space and which has a good potential. Now, once that if that gets out commercially, I would like to open up at that point of time. At this point of tomorrow, we can say is like, we are we have open doors to new industry markets, which, as a good potential, a good potential. It's at least a good call to fifteen gross stuff. That's the potential market that we have almost open to. Maybe by another three, four weeks we will have, we will see the results on that. Oh, yeah, yeah, that's all from the these are the questions from a basic hope. I've answered to your check in case your request any further information clarifications please feel free to call us or mail us.

We'll be more than glad to share the information to your good self. And that's all the questions and I think it's or two. So we have we are done Chairman. You can go to. Topic. Some more that there is some more questions. Okay. What is the cost cutting initiatives and production announcements activities done by the management? Oh, yeah cost cutting initiatives. Yeah, that's a continuous process. Nothing to do with it. Then we are doing that on what salary cut was taken by the management.

Yeah, I've already I've already answered that, what is the view of manager going forward session? Profit earning growth yeah, the, they're also mindset. And what are the management efforts to improve working capital? Two sales ratio interest coverage. Okay. Now on this, the increasing the production capacity will ensure strengthening of all these issues. Yeah, we, that's the objective of our presence here, and we are taking every effort to take care of that and what is the management efforts to improve the management at all times is open to, in this in research any, any, any information that's required then it's all available to share, please provide the details cutting the current and non-current travel case.

Please let me know the details of our contingent Liability video call with your legal head to learn about the perspective in detail. Yeah the current and non-current of the annual report has all the details now and contingents liability is also, is there.

Now, if you have anything more specific and the Company Secretary is available to give you the details on that. What is the policy related to dividend of the company as most of the senior citizens only depend on that? Yes, we are in strong focus on that. Now we have a backlog. Yes, we have had terrible years from two thousand and twelve to seventeen, which has kept us on. Hold enough. We are getting back to strength now funds the backlog this case with yeah, very soon.

We want to get to the different track, but if you take a little time, but then we are working towards that. Not receiving from the company kindly to let us know. Yeah, there are two

years where the company has. Maybe we're not a shareholder at that point of time. Yeah. Yeah. A failure of the stock is ten rupees center. Three point five. So window demand fiscal shares. Not able to meet out the value surface in in couple of years yes. When we are working hard on that, we should see a stunning this slight.

Yeah, we are definitely on that and we will see definitely a significant change from here and we sure ran, thank you so much Abhishek for I'm happy to see this one shareholders who have gone through the report and was concerned as much as we are concerned on the progress in state of the company and feel free to call and we, we are ready to open to discuss and share the actual status of the company. At any time So here and it call, we are available. Thank you. Thank you. Yeah, that's all. I think it is on the questions from Abhishek and that's it. Yes, we can look for. Yeah. Yeah. The meeting is concluded then you can.

Chairman: With this Annual General Meeting of the Company comes to an end, my sincere gratitude to the Members, Directors, Auditors and Practicing Company Secretary for taking their valuable time and attending the meeting.

I declare the proceedings as closed. Thank you.

-----*****-----