



TRANSCRIPT OF THE 62ND ANNUAL GENERAL MEETING OF AGI GREENPAC LIMITED (FORMERLY KNOWN AS HSIL LIMITED) HELD ON THURSDAY, 22ND SEPTEMBER, 2022 AT 2:00 P.M. (IST) THROUGH VIDEO CONFERENCING AND OTHER AUDIO VISUAL MEANS

PANELISTS:

Dr. Rajendra Kumar Somany

Chairman and Managing Director

Mr. Sandip Somany

Vice-Chairman and Managing Director

Mr. Vijay Kumar Bhandari

Independent Director

Mr. Nand Gopal Khaitan

Independent Director

Mr. Rakesh Sarin

Independent Director

Ms. Himalyani Gupta

Independent Director

Mr. Girdhari Lal Sultania

Non-executive Non-Independent Director

Mr. Om Prakash Pandey

Chief Financial Officer

Mr. Pulkit Bhasin

Company Secretary

Mr. Sandeep Sikka

Group CFO

Mr. Deepak Bansal

Group Head-Internal Audit

Mr. Shyamal Kumar

Representative of M/s. Lodha & Co., Chartered Accountants (Statutory Auditor)

Ms. Monika Kohli

Representative of M/s. DMK Associates, Company Secretaries (Secretarial Auditor)

Mr. Praveen Kumar Drolia

Representative of M/s. Drolia & Company, Scrutinizer

ATTENDEES:

Shareholders

Mr. Pulkit Bhasin:

Good Afternoon to the Directors, Auditors and Shareholders, who have joined us today, for the 62nd Annual General Meeting of AGI Greenpac Limited (Formerly known as HSIL Limited) through Video Conferencing and Other Audio Video Mode.

I, am Pulkit Bhasin, Company Secretary of AGI Greenpac Limited.

Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) through its Circulars read with previously issued circulars in this regard have permitted Companies to carry General meetings through Video Conferencing mode. In light of this unprecedented situation, MCA and SEBI Circulars and restrictions owing to COVID-19, the meeting will not be conducted physically. The Government of India continues to urge all citizens to maintain social distancing norms in order to curb the spread of this pandemic. Your Company thus with an intention to support the measures taken by the Government, has decided to conduct this Annual General Meeting through Video conferencing.

I would like to thank and welcome all Shareholders who have joined us today.

Before commencing the official proceedings, I would like to inform that all attendees in this meeting are by default placed on mute mode to avoid any disturbances to ensure smooth conduct of the meeting.

As the time is already 2:02 P.M. and at present, we have 31 people attending the AGM through Webex, none of them are proxies, I thus hereby declare that the meeting has the presence of the requisite quorum and is in order to commence the proceedings of the meeting.

I now, request Dr. Rajendra Kumar Somany, Chairman and Managing Director to address the Directors, Auditors and Shareholders who have joined us today.

Dr. Rajendra Kumar Somany:

Dear Stakeholders

I, Dr. Rajendra Kumar Somany, Chairman and Managing Director of AGI Greenpac Limited, am joining from my residence in New Delhi.

Welcome to the 62nd Annual General Meeting of your Company. I trust your family and you are keeping well and staying safe.

Before I begin with the official proceedings, I would like to introduce the Board Members present in the meeting along with the Management Team, Statutory Auditor, Internal Auditor, and Secretarial Auditor.

In the Display Panel we have with us:

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1. Mr. Sandip Somany, Vice-Chairman and Managing Director, joining from Germany
2. Mr. Vijay Kumar Bhandari, Independent Director and Chairman of Audit Committee, joining from Mumbai
3. Mr. Nand Gopal Khaitan, Independent Director and Chairman of Nomination and Remuneration Committee and Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee, joining from Kolkata
4. Mr. Rakesh Sarin, Independent Director, joining from Gurugram
5. Ms. Himalyani Gupta, Independent Director, joining from New Delhi
6. Mr. Girdhari Lal Sultania, Non-Executive Non-Independent Director, joining from Kolkata
7. Mr. Om Prakash Pandey, Chief Financial Officer, joining from Bengaluru
8. Mr. Pulkit Bhasin, Company Secretary, joining from Gurugram
9. Mr. Sandeep Sikka, Group CFO, joining from Gurugram
10. Mr. Shyamal Kumar, Lodha & Co., Statutory Auditor, joining from New Delhi
11. Ms. Monika Kohli, DMK Associates, Secretarial Auditor, joining from New Delhi
12. Mr. Deepak Bansal, Group Head, Internal Audit, joining from Gurugram
13. Mr. Pravin Kumar Drolia, Scrutiniser, joining from Kolkata

Your Company delivered an all-round improvement in financial performance during the year. I would like to compliment the management of your Company for its excellent performance during FY 2021-22. To ensure capital returns to shareholders and by factoring in our robust FY 2021-22 performance, the Board of Directors proposed a dividend of 250% per share, amounting to Rs.32.35 crore.

Over the past few years, I have been sharing with you updates on AGI Greenpac Limited transformational journey. Our flexible business model, high operational efficiencies, and quality product mix made it possible for us to continue to operate profitably through these difficult and uncertain times. We delivered strong annual growth as we continued our efforts at enhancing our operational excellence.

During the year, the Board approved the slump sale of the manufacturing assets of the Building Products Division to Hindware Limited (erstwhile Brilloca Limited), a 100% subsidiary of Hindware Home Innovation Limited (erstwhile Somany Home Innovation Limited). This gives us the opportunity to focus on growing our core business. The sale proceeds will enable us to strengthen our balance sheet, repay borrowings and create capital for further expansion of the Packaging business. We also changed the name of the company from HSIL Limited to AGI Greenpac Limited. The name change is a part of our transformational journey. The name AGI Greenpac is new but the motto 'Excellence in Packaging' remains the same, which resonates with the Company's customers and reflects the product portfolio. The word 'Green' reflects the Company's commitment to offering sustainable packaging solutions that have a positive impact on the environment.

As you are aware, in October 2020, we announced setting up of a speciality glass manufacturing unit and during this financial year, we started trial production and the plant will cater to high-end pharmaceuticals including vials, perfumery, cosmetics, and other segments.

Your Company continues to be in good financial health and we are determined to follow the growth path that we have charted out for ourselves with all the necessary plans in place to achieve these goals.

To conclude, I would like to thank our shareholders for their continued trust and confidence in the Management of the Company. I am also grateful to my colleagues on the Board for their valuable guidance.

I would like to take this opportunity to thank our customers, suppliers, bankers, auditors, legal advisors, consultants, and all other business associates, the Government, and various authorities for their continued interest and confidence in the Company and its Management.

Now I would like to invite Mr. Om Prakash Pandey, Chief Financial Officer of the Company to apprise you on the financial highlights of the Company for the Financial Year 2021-22.

Mr. Om Prakash Pandey:

Good Afternoon Mr. Chairman, Board Members, Shareholders, and everyone in attendance.

The results for the year ended 31st March 2022 have been prepared in compliance with the applicable Indian Accounting Standards (Ind AS) notified by the MCA.

- AGI Greenpac has for the year ended 31st March 2022 reported consolidated revenue of around ₹2,312 crore against ₹1,853 crore in the previous year, registering a growth of 25% over the previous year.
- EBITDA stood at around ₹393 crore, a growth of 28% from the previous year, and Net profit grew 119% y-o-y to ₹193 crore, including exceptional items.

These were the few highlights relating to overall company results and now we move to the segmental results:

- The Packaging Products Business reported revenue growth of 14% y-o-y to ₹1,436 crore, with EBIT increasing to ₹238 crore from ₹96 crore in FY 2020-21. Our Glass Container business saw strong traction owing to improved realisations, better product mix, and increased sales volumes. Glass container packaging volumes grew by around 10%, on the back of rising demand for glass bottles from the alco-bev industries.

The consolidated Net Bank Debt of the company as on 31st March 2022 was around ₹1127 crore with long term debt of around ₹980 crore and net short term debt of ₹147 crore.

Thank you for joining us today. I would like to now invite Mr. Sandip Somany, Vice-Chairman and Managing Director to continue with the proceeding of this meeting.

Mr. Sandip Somany:

Good Afternoon to everyone. Now, with your concurrence, I shall take the Notice of the 62nd Annual General Meeting together with the Financial statements as on 31st March, 2022 and Directors' Report be taken as read.

As per the Companies Act, 2013, and applicable Secretarial Standard 2 by the Institute of Company Secretaries of India, the Auditors Report and Secretarial Audit Report are required to be read only when there are qualifications or adverse observations or comments in the Reports.

I am happy to state that there were no qualifications, observations or comments in the Audit Report and Secretarial Audit Report.

The Company had provided remote e-voting facility through CDSL System. The remote e-voting period commenced at 9:00 A.M on Monday, 19 September 2022 and ended on Wednesday, 21 September 2022 at 5:00 P.M. Mr. Pravin Kumar Drolia, Practicing Company Secretary, Kolkata has been appointed as the Scrutinizer.

The results along with the report of Scrutinizer shall be sent to stock exchanges and also be uploaded on the Company's website and CDSL's website.

Now, I will announce the names of the Shareholders who have been registered as speakers for this meeting. The speaker shareholder, if present, will then be unmuted by the host. If the Shareholder is not able to join through video mode for any reason, then the shareholder can join through audio mode. The Shareholders are advised to use headphones for clear audio and switch off other background applications.

If there is any connectivity issue from speaker shareholders' end, we would request the next speaker shareholder to join the meeting. The speaker shareholder who could not join, can thus join later. We would like to request the speaker shareholder to limit their queries to 3 minutes. Please note that the queries which have been received in advance will only be replied to.

Now I would like the host to unmute Mr. Santosh Kumar Saraf

Mr. Santosh Kumar Saraf:

Respected Chairman Sir, Management Team and Shareholders, my name is Santosh Kumar Saraf and I am attending this meeting from Bengaluru. I hope you and your families are doing fine.

I would like to say that the Company has performed really well and distributed a very good dividend.

I had already sent my queries in advance which are:

Kindly share with me the new products introduced during the year by our Company.

Kindly let me know the future Capex plan of our company for the next 5 years.

Kindly share the policy on disposing of the E-WASTAGE of our Company.

Kindly inform me the steps taken to audit CSR expenses and audit of Fire Safety systems.

Kindly let me know the steps taken to reduce the gap of gender ratio of male and female Employees.

Sir let me know the number of employees covered with Health Insurance, Accident Insurance, Maternity Benefits, Paternity Benefits and Day Care facility.

Kindly let me know the expenses incurred in organizing Physical Meeting in 2019 and expenses incurred to organize VC/OVAM meeting.

Kindly let me know the steps taken for BOOSTER Dose (Third Dose) for employees and their family members which are presently available for free from the Government.

Further, I would like to suggest to continue with the process of conducting Annual General Meetings through Video Conferencing to save costs of the Company.

I would like to wrap up my queries here and wish the Company to excel under your aegis.

I would like to appreciate the efforts of the Secretarial Team of the Company.

Mr. Sandip Somany:

Good afternoon Mr. Saraf. I would like to answer to your queries one by one.

Beginning with the first query, during the financial year, we undertook 364 product designs. Samples were undertaken for 115 new products and 58 new products were commercialized. So, we are the best Company in the Country for new product development in our sector. The Customers deeply rely on us to develop new products for packaging of their products.

Coming to your query regarding capex, as already communicated, the glass container industry requires regular investment to upgrade, expand and maintain the furnaces and machinery. The Company is investing around Rs.175 crore towards the rebuilt of one furnace, debottlenecking, and is undertaking capacity enhancement by 100 Tonnes per day. The Company's glass container business currently has a manufacturing capacity of 1600 TPD and the other 154 high-end specialty glass facility is under trial run.

We plan to debottleneck on an additional 100 TPD which will take the overall glass container manufacturing capacity to 1854 TPD from 1600 TPD. As a method of discipline, we take a long-term loan of 70% to 75% of the total CAPEX, to help the Company maintain a good financial discipline.

On the E-waste, all unused (or retired) IT assets, such as Laptops, Desktops, Printers, Screens, and others, are accumulated and reviewed periodically to sell to certified E-Waste recyclers. They provide us with the E-Waste Recycling certificate for the collection of the E-Waste.

You had also asked about CSR expenses and fire safety audit, for that, let me tell you that the Corporate Social Responsibility (CSR) Committee of the Company recommends the budget for incurring expenses towards CSR activities in accordance with the provisions of the Companies Act, 2013 read with the CSR Policy of the Company, which is then approved by the Board of Directors of the Company. Further, the CSR Committee of the Company reviews the spent and unspent amount in its quarterly meetings.

The CSR expenses incurred towards conducting the CSR activities are also reviewed by the Statutory Auditor as a part of scope of their audit.

For Fire Safety Audit, we are conducting internal fire safety audits and inspections on regular basis as per process.

Compliance on same is also tracked and monitored on daily basis.

Further, every year we do conduct a third party safety audit that includes fire safety aspects also as a part of the requirement and we are complying with all the recommendations made in this audit report.

Coming to your next query of gender ratio, we have taken various steps to improve the gender ratio as follows:

1. Recruitment: We are giving special focus to increase female headcount in certain functions.
2. Strict implementation of the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 at the Workplace
3. Planning to review working hours and flexi-time policy for convenience of female applicants.

In Sept 2021, we had 6 female employees on the Company roll whereas in Sept 2022 we have 10 female employees on the Company roll, i.e. improved 67 %.

Now coming to your next query regarding Health Insurance of the employees of the Company, I would like to tell you that under the Company, the numbers of employees covered under Health Insurance and Accident Insurance are 434 On-roll employees.

Under Maternity Benefits – 10 married female employees are covered, under Paternity Benefits - 389 married male employees, and under Day Care facility - 399 married employees are covered.

You had also asked about the dispute tax cases pending, there is no assessed demand under the Income Tax Act. However, disputes if any, are dealt with as per provision under the Income Tax Act.

You had also asked about the Booster dose, for that we have organized Covid vaccination camps on regular basis for the first dose, second dose and now the Booster dose. Recently, we conducted a Covid vaccination camp at our Bhongir plant on 16th Sept, 2022.

Coming to your last query regarding the cost of physical AGM v/s AGM through VC mode, the amount spent for convening physical AGM in 2019 was around Rs.19 lacs and the amount spent during the years 2020 and 2021 were around Rs.1.05 lacs and Rs.1.15 lacs respectively.

I hope this answers all your queries.

Now I would like the host to unmute Ms. Kirti Shah.

Meeting Host:

Ms. Kirti Shah is not present in the meeting.

Mr. Sandip Somany:

Please unmute Mr. Goutam Nandy.

Meeting Host:

Mr. Goutam Nandy is also not present in the meeting.

Mr. Sandip Somany:

Please unmute Mr. Rishikesh Chopra.

Meeting Host:

Mr. Rishikesh Chopra is also not present in the meeting.

Mr. Sandip Somany:

Please unmute Mr. Prabhjot Singh Sahani.

Meeting Host:

Mr. Prabhjot Singh Sahani is also not present in the meeting.

Mr. Sandip Somany:

Please unmute Mr. Vinay Vishnu Bhide.

Mr. Vinay Vishnu Bhide:

Hello, Respected Chairman Sir, Vice-Chairman Sir and Board of Directors. My name is Vishnu Bhide and I am from Mumbai. First of all I would like to thank you for the great work you all have done in the last fiscal year.

My queries are as follows:

- What is the trend of Raw Material prices in the current financial year compared to last year? If there has been a significant rise in prices, have they been passed on to customers to protect margins?
- What is the blended capacity utilisation of our plants? Do we have expansion/upgradation plans for our plants?
- What was the spend on IT capex and opex in FY 22? What is the budget for IT spend in the current financial year?

These are the questions I would like to ask. We are a great Company and a great brand. We have the wonderful management. I have no doubt that we continue to do well as in past. I wish the Directors and employees all the best. Thank you.

Mr. Sandip Somany:

Thank you, Mr. Vinay.

So basically, the prices of the Raw Materials have become very high in the last few years particularly soda ash, gas and petroleum products. The rate of margin has been slightly reduced this year. However, we have longer term and rolling contracts with our customers. So these are normally passed on but a time gap of 3-4 months is required for passing on the same on the customer. Price of glass has been increasing as this is the world-wide phenomenon of increased raw material costs.

As far as expansion is concerned, we have already disclosed that we are in the process of setting up a new plant for speciality glass. We have started our trial products. The plant will be commissioned in the next few months adding around 150 tonnes of capacity per day.

On the IT part I would say, this is a very specific query and I don't have the data handy since you did not ask these questions in advance but this can be certainly shared with you later. But what I would like to say is that we are digitizing and automating processes. We have a full force of IT, internally, and we also hire consultants, if required.

Thank you very much.

Now, I would request the host to unmute Mr. Amit Kumar Banerjee

Mr. Amit Kumar Banerjee:

Good afternoon to all of you. My name is Amit Kumar Banerjee and I have joined this meeting from Kolkata. Thank you for giving me this opportunity to speak in this meeting.

As far as the performance of the Company is concerned, we have done really well.

What are the key challenges for achieving the sustainable growth of the profit?

What are the future plans of the Company?

I wish the Company all the best and thank the entire team for conducting the meeting today. Over to you for further proceedings. Thank you.

Mr. Sandip Somany:

Thank you Mr. Banerjee. So, your Company operates in the Packaging Sector. The Packaging Sector is deeply interrelated with the growth of the Country itself. Because most products are required to be packed into something or the other. We believe that India has a very bright future ahead and its GDP growth will be among one of the best if not the best. As a consequence, Packaging Sector will continue to grow. We are in the Glass segment and to some extent we are also into specialized Plastic segments. The Glass segment is ecologically friendly. There is an increased growth rate in the Glass Packaging segment. We believe that the trend will also be there in India and Glass Business will prosper in India. Accordingly, we are investing into the glass business we are raising our capacities and efficiencies by putting in highly productive machineries.

As far as Risk Management is concerned, we have a Risk Management Committee which meets twice a year and looks at all the parameters of the risks in the Business, analyses the risks parameters and takes suitable actions to defray the risks and keep the Company protected from the future risks. We believe that the Company will continue to do well. We as management stay committed to remain the preferred suppliers of our esteemed customers.

Thank you.

Now, I would like the host to unmute Mr. Atanu Saha.

Mr. Atanu Saha:

Good afternoon to one and all. My name is Atanu Saha. I hope you all are healthy and safe.

Sir, what is our investor reward policy?

The Company has performed really well in the packaging segment. We hope that it continues to grow at the same pace.

Thank you.

Mr. Sandip Somany:

Thank you Mr. Saha.

We have a Dividend Distribution Policy approved by the Board of Directors of the Company. The link of the same has been provided in the Annual Report. As you can see that healthy dividend has been paid to the shareholders in the last many years. Of course as the Company does well and continues to do well, we will continue to reward the shareholders as you have witnessed in the past also.

Thank you very much.

Now I would like to quickly summarize the business as stated in the Notice of 62nd AGM.

Businesses as stated in the Notice of 62nd AGM are:

AS ORDINARY BUSINESS

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31 March 2022, the reports of the Board of Directors and Auditors thereon. **(As Ordinary Resolution)**
2. To declare Dividend on Equity Shares for the year ended 31 March 2022. **(As Ordinary Resolution)**
3. To appoint a Director in place of Dr. Rajendra Kumar Somany (DIN: 00053557) who retires by rotation and, being eligible, offers himself for re-appointment. **(As Ordinary Resolution)**
4. To re-appoint M/s. Lodha & Co., as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 67th Annual General Meeting of the Company and to fix their remuneration. **(As Ordinary Resolution)**

Members who have not cast their votes electronically and are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by CDSL. The e-voting on CDSL platform will continue to be available for the next 15 minutes. The combined results of e-voting and online voting at the meeting would be announced within 2 working days of conclusion of the meeting and the same would be intimated to Stock Exchanges and will be uploaded on the websites of the Company and CDSL.

I would like to thank the Panelists and Shareholders for attending and participating in this meeting. Please stay healthy and safe. Thank you very much.