

TRANSCRIPT OF 11TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE PRATAAP SNACKS LIMITED (THE COMPANY) HELD ON FRIDAY, 18TH SEPTEMBER, 2020 AT 03.30 P.M. IST THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO VISUAL MEANS (OAVM).

Good afternoon everyone. I, Om Prakash Pandey, Company Secretary & Compliance Officer of Prataap Snacks Limited welcome you all at the 11th Annual General Meeting of the Company.

In view of outbreak of novel Corona Virus (COVID-19) pandemic and continuing restriction on the movement of persons at several places in India, the Ministry of Corporate Affairs (MCA) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as MCA Circulars) permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means without physical presence of the Members at a common venue.

Accordingly, in compliance with applicable provisions of the Companies Act, 2013 read with the aforesaid MCA Circulars, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 12th May, 2020, the 11th Annual General Meeting of the Company is conducted through Video Conferencing. In accordance with Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) read with Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since this AGM is being conducted through Video Conferencing, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members is not available for this AGM. The Members attending the AGM through Video Conferencing are counted for the purpose of the quorum under Section 103 of the Companies Act, 2013.

It's my pleasure to inform you that our Honorable Chairman, Mr. Arvind Mehta is present in this Meeting and chairing the Meeting as per Article 16(c) of the Articles of Association of the Company.

Now, I would like to introduce the Directors, Officers and Representatives present in this AGM through video conferencing from their respective residence or office:

1. Mr. Arvind Mehta – Chairman & Executive Director
2. Mr. Amit Kumat - Managing Director & Chief Executive Officer
3. Mr. Apoorva Kumat – Executive Director (Operations)
4. Mr. Chetan Mathur- Independent Director and Chairman of Audit Committee and Risk Management Committee
5. Mr. V. T. Bharadwaj – Independent Director and Chairman of Stakeholders Relationship Committee and Nomination & Remuneration Committee
6. Mr. Subhashis Basu - Chief Operating Officer
8. Mr. Sumit Sharma – Chief Financial Officer
9. Mr. Abhishek Agarwal, Mr. Manish Jain and Mr. Mayank Gupta, Chartered Accountants, representing S R B C & CO., LLP, Statutory Auditor
10. Mr. Ritesh Gupta, Company Secretary, representing Ritesh Gupta & Co., Secretarial Auditor and Scrutinizer

The remaining Directors namely, Mr. Vineet Kapila, Mr. Haresh Chawla, Mr. G.V. Ravishankar and Mrs. Ansiha Motwani, expressed their inability to attend the Meeting due to their other prior commitments.

Now, I would like to invite our Honorable Chairman, Mr. Arvind Mehta to proceed further.

A warm greeting to all shareholders, Board members and Prataap Team. Welcome you all at the 11th AGM of the Company. I hope you and your loved ones are healthy and safe and following the guidelines issued by the government. In view of pandemic this AGM is being conducting virtually.

We began FY20 on a promising note with improvement in business performance. As we progressed through the year, we witnessed healthy growth and were set to report a strong performance for the year, when the COVID-19 pandemic and resultant lockdown in March disrupted the momentum. During the year, demand across key markets was positive and all of our product categories contributed to growth.

We witnessed a rebound in performance of rings while product lines of extruded snacks and potato chips continued to deliver a good performance. Avadh products reported continued traction in the market. We also witnessed strong growth in the sweet snacks segment. With the successful launch of Cup Cakes and Tiffin Cakes, we now have a portfolio of six products in the sweet snacks segment.

The targets for FY 2019-20 were:

- get back double digit growth
- increase Avadh products platform
- increase sweet snacks platform
- improve in EBITDA margin

We have achieved all the targets, except improve in EBITDA margin, where the growth was little mainly due to sharp increase in price of palm oil. Due to tension between India and Malaysia and other global activities there was sharp increase in palm oil price in last year. As you all know that palm oil is our main raw material and used in our every products. The price of palm oil had a negative impact on our margins, but we tried to control the cost in various ways and that is why to the great extent we were able to bear the increased price of palm oil and save margins from falling further.

However, just when we thought we would end the fiscal with healthy growth, operations were disrupted by the pandemic and subsequent lockdown. Naturally with reduced outside movement and closure of marketplaces, we witnessed impact on revenues. Further, we shut down our plants in keeping with Government guidelines. As Indore, was a designated COVID hotspot, it took some time to restart operations. Here we have immensely benefited from multiple third party (3P) facilities set up in last 2 years which allowed us to restart operations quickly. In FY20, third party facilities have contributed to 18% of volumes but in Q1FY21 that number increased to 35%.

I am pleased to share that all major issues such as labour availability, raw material availability, transportation and logistics have stabilised and we have been functioning at 75-80% of pre-COVID levels across all our manufacturing and 3P facilities since June / July 2020.

I would like to state that we have been able to meet this challenge without significant impact. Our Balance Sheet and financial position remains strong and we focused on collections and maintaining efficient working capital position. With the conclusion of the expansion of our Avadh plant in Rajkot, Gujarat in FY20 itself we do not have any major CAPEX plans. The Board of Directors recommended dividend of Re. 1 per share to reward the shareholders which is to be approved in this AGM.

In addition, since we resumed operations, the health and well-being of our employees, customers, dealers, distributors, and our community remains our key concern. We are well placed to capitalise on the shift in the consumer preference from buying 'loose snacks' to buying packaged food with emphasis on hygiene and safety.

In conclusion, I would like to thank our Board of Directors, Employees, Shareholders and customers for their continued support and belief in the Company. We would continue to leverage our four-pronged growth strategy. We have several new products launches in the coming times in the sweet snacks category, which has been receiving an encouraging response from the market. With the rising need for local products in the market and becoming a truly Aatmanirbhar Company, we see strong growth in the coming years. I thank everyone for joining us today and request everyone to stay safe and take care of their loved ones.

Thank you Sir for giving an overview of the business and operation of the Company, its performance and the way forward.

With the permission of Chairman, I confirm the compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder, applicable provisions of the Secretarial Standard on General Meeting (SS-2) issued under Section 118 (10) of the Companies Act, 2013, Ministry of Corporate Affairs Circulars dated 5th May, 2020, 8th April, 2020 and 13th April, 2020, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 12th May, 2020, with respect to calling, convening and conducting this Annual General Meeting. I further confirm that all efforts feasible under the circumstances have indeed been made by the Company to enable members to participate and vote on the items being considered in the meeting.

The following documents are open for inspection in electronic mode during the Meeting:

- a) Register of Directors and Key Managerial Personnel and their shareholding;
- b) Register of Contracts or Agreements in which Directors are interested;
- c) Audited standalone and consolidated financial statements for the financial year ended 31st March, 2020;
- d) Independent Auditor Report on the audited standalone and consolidated financial statements;
- e) Secretarial Audit Report;
- f) Independent Auditor Report on the Prataap Employees Stock Appreciation Rights Plan 2018, as required by SEBI (Share Based Employee Benefits) Regulations, 2014; and
- g) Memorandum and Articles of Association of the Company

The Auditors Report(s) do not contain any qualification, observation or adverse remark on financial transactions or matters, which have any adverse effect on the functioning of the Company.

The Secretarial Audit Report also do not contain any qualification, observation, or other remark, which have any adverse effect on the functioning of the Company.

In compliance with the aforesaid MCA circulars and SEBI circular, the Notice of the Meeting, Board's Report, Audited financial statements for the year ended 31st March, 2020, Report(s) of Auditor and Secretarial Auditor and other required documents have sent through email to the members and others. With the permission of members present in the Meeting, I would like to take the Notice of meeting as read.

As members are aware that the Notice of the Meeting covers 3 (three) business items to be transacted at this Annual General Meeting. Briefly, the items deal with:

- (i) Adoption of :
 - the audited Financial Statements of the Company for the financial year ended 31st March, 2020 and the Reports of the Board of Directors and Auditor thereon; and
 - the audited consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 and the Report of Auditor thereon;
- (ii) Declaration of dividend on equity shares for the financial year ended 31st March, 2020;
- (iii) Re-appointment of Mr. Arvind Mehta (DIN: 00215183), as Director, who retires by rotation at this Meeting.

The Company has extended to its members the facility to exercise their right to vote by electronic means through remote e-voting. The remote e-voting period began on 14th September, 2020 at 9.00 a.m. and ended on 17th September, 2020 at 5.00 p.m.

Further, the facility for voting through e-voting system at CDSL www.evotingindia.com is available for all those members, who are present in this Meeting and did not cast their votes by remote e-voting and otherwise

not barred from doing so. Members, who have already cast their votes through remote e-voting are not entitled to vote again and vote, if any, cast at the Meeting shall be treated as invalid.

Mr. Ritesh Gupta, Company Secretary, Proprietor of M/s. Ritesh Gupta & Co., Company Secretaries, has been appointed by the Board of Directors as Scrutinizer to scrutinize the remote e-voting and e-voting at the Meeting.

Now, I invite the members who have registered themselves as a speaker upon having sent their request as such in advance as per procedure prescribed in the Notice of AGM.

I request the members who have registered themselves as speakers at this AGM that the comments must be restricted to the business of the Annual General Meeting and relating only to the Company and not to any other matter.

First speaker: Mr. Prateek Maheshwari

Thank you. Good afternoon Sir, my question is about the Covid impact on the business. Could you please let us know what is the current status of business as compare to Pre-Covid era and is there any change in the business strategy?

Now, I request Mr. Subhashis Basu, Chief Operating Officer to address the query raised by the member.

Indore being a Covid Hotspot in April and May, we had both our factories closed in most of the time during that period. However, our distributed manufacturing set up helped us to survive. By June we resumed operations and we are now at 85-90% of our peak pre-covid sales.

The Covid impacted the market also big time. Since major part of our sales depends on impulse purchase by children, with all schools closed and children not venturing out that much, it impacted our sales. Transport channel (railway stations, bus stands etc.) is another important channel for us which also got highly impacted because of Covid. However we have focused around rural sales to mitigate most the loss.

Hope I have answered to your question.

Thank you Sir.

Second speaker: Mr. Amrit Lal Parasher

Thank you sir. Good afternoon everyone. Sir, I wanted to understand how is the Avadh integration so far and what is the status of Avadh's products taking outside Gujarat?

Avadh integration has worked well for us. We have now launched Avadh pellets in various parts of India (which localised production facilities) in geographies like Assam, Haryana, UP, Maharashtra. We are also leveraging Avadh's strength in their Go-To-Market model in parts of Gujarat with Yellow Diamond products there.

Hope I could answer the question.

Thank you Sir.

Third Speaker: Mr. Ankur Verma

Mr. Ankur Verma are you there?

Yes.

Good afternoon Sir, My question is about Healthy snacks. I understand that due to this pandemic, now people are more cautious about health. I wanted to understand are we also planning to enter into that category?

I request Mr. Subhashis Basu, Chief Operating Officer to address the query raised by the member.

Agree, H&W has become major concern now, people to looking to explore various sources to boost immunity. OMEGA+ is known to be extremely healthy.

We will be the first Company in India to be launching OMEGA+ fortified (Vegetarian Source) Potato Chips in the market. We are planning an elaborate Social Media and PR campaign around it.

I hope I could answer the question.

Thank you sir.

I thanks members for making various observations. We have only three speakers, and all have asked their respective questions.

Now, with the permission of Chairman, I read out the resolutions of business items to be transacted at the Meeting.

Resolution No.1 as an Ordinary Resolution:

“RESOLVED THAT the audited Financial Statements of the Company for the financial year ended 31st March, 2020 and Reports of the Board of Directors and Auditors thereon, be and are hereby considered, approved and adopted.

RESOLVED FURTHER THAT the audited consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 and Report of Auditor thereon, be and are hereby considered, approved and adopted.”

Resolution No.2 as an Ordinary Resolution:

“RESOLVED THAT a dividend of Re.1.00 (Rupee One only) per equity share (i.e. 20%) on 2,34,53,036 equity shares of Rs. 5.00 (Rupees Five only) each fully paid-up, be and is hereby declared for the financial year ended 31st March, 2020 and the same be paid to all those members whose names appear in the Register of Members or Beneficial Owners Record as on 11th September, 2020, the date fixed for the purpose.”

Since the Chairman of the Meeting is interested in the next resolution as it pertains to his re-appointment as Director. Hence, with the consent of Chairman and Directors present in the Meeting, I request Mr. Amit Kumat, Managing Director & Chief Executive Officer to chair the Meeting and conduct the proceeding in respect of next item of business.

Thank you.

Now, I move the Resolution No.3 as an Ordinary Resolution:

“RESOLVED THAT Mr. Arvind Mehta (Director Identification Number: 00215183), Director, who retires by rotation at the Annual General Meeting in terms of Section 152 sub-section 6 of the Companies Act, 2013 and, being eligible, offers himself for re-appointment, be and is hereby re-appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

Now, I request Mr. Arvind Mehta to resume the Chair for the remaining proceeding of the Meeting.

I request Members, who are present in the Meeting and did not cast their votes by remote e-voting and otherwise not barred from doing so may cast their votes through e-voting system now. The voting will be allowed till 15 minutes after the conclusion of the AGM.

Now, I invite our Managing Director and Chief Executive Officer, Mr. Amit Kumat for vote of thanks.

Dear Chairman, with your permission I would like to propose a vote of thanks. All the milestones that were achieved today is the result of joint efforts. On that note, I wish to thank the Directors for their continuous guidance and support, the Shareholders for their faith in the Company, thanks to the Vendors, Suppliers, Customers, Consumers and Bankers for their support and last but not the least thanks to Employees, who are part of the Prataap family for their untiring efforts and contribution in the growth of the business.

Thank you everyone for being part of this Annual General Meeting. Hope to see you next year.

Thanks you Sir.

Based on consolidated Scrutinizer's Report the combine result of remote e-voting and e-voting at the Meeting will be declared on 19th September, 2020 at the Registered Office of the Company at Khasra No. 378/2, Nemawar Road, Near Makrand House, Indore – 452 020 Madhya Pradesh.

The Meeting stands concluded. Thank you all.