



# **SHREE RAMA MULTI-TECH LIMITED**

**28<sup>TH</sup> ANNUAL GENERAL MEETING**

**HELD ON**

**THURSDAY, 15<sup>TH</sup> SEPTEMBER, 2022**

**THROUGH**

**VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS**

**AT**

**11:00 A.M. IST**

*Disclaimer: This is a memorandum of the proceedings of the Annual General Meeting of Shree Rama Multi-Tech Limited held on 15<sup>th</sup> September, 2022 at 11:00 a.m. While we have made our best attempt to prepare a verbatim transcript of the proceedings of the meeting, however, it may not be a word to word reproduction.*

## **Welcome address by Mr. Sandip Mistry – Company Secretary**

Good Morning everyone!

I am Sandip Mistry, Company Secretary of Shree Rama Multi-Tech Limited.

Today is Thursday, 15th September, 2022. It is 11.00 A.M.

On behalf of the Board of Directors of Shree Rama Multi-Tech Ltd. I extend a warm welcome to all of you at the 28th Annual General Meeting of the Company held through Video Conferencing due to COVID-19 Pandemic. This is in compliance with the Circulars issued by the Ministry of Corporate Affairs, Government of India and Securities and Exchange Board of India.

The Company has taken all feasible steps to ensure that the shareholders are provided with an opportunity to participate in the Annual General Meeting.

Now, I start the proceedings of the meeting and introduce the Panellists attending the meeting.

Shri Shailesh K. Desai, Managing Director has joined the meeting from the Plant of the Company at Moti-Bhoyan Ta. Kalol.

Shri Hemal R. Shah, Whole-Time Director has joined the meeting from the Plant of the Company at Moti-Bhoyan Ta. Kalol.

Shri Pathik C. Shah, Independent Director and the Chairman of Audit Committee and Nomination & Remuneration Committee has joined the meeting from his office at Ahmedabad.

Shri Shalin S. Patel, Independent Director has joined the meeting from his office at Ahmedabad.

Smt. Vandana C. Patel, Non-Executive Director has joined the meeting from her office at Ahmedabad.

Shri Krunal Shah, Chief Financial Officer has joined the meeting from the Plant of the Company at Moti-Bhoyan Ta. Kalol.

Shri Chetan Panchal, Partner of M/s Chandulal M. Shah & Co., Chartered Accountant, the Statutory Auditor of the Company has joined the meeting from his office at Ahmedabad.

Shri Chirag Shah, Partner of M/s Chirag Shah & Associates, Practising Company Secretaries, the Secretarial Auditor of the Company and the Scrutinizer appointed by the Company for this Meeting has also joined the meeting from his office at Ahmedabad.

Shri Mittal K. Patel, the Chairman of this meeting is not available due to unavoidable circumstances, hence as per Article 66 of Articles of Association, the directors present at this meeting have elected Sh. Shailesh K. Desai as Chairman for this meeting.

Please note that all the members who have joined this meeting are by default placed on mute, to avoid any disturbance from background noise and to ensure smooth and seamless conduct of the meeting.

Now I request the Chairman of this meeting, Sh. Shailesh K. Desai to start the proceedings of the meeting.

Moderator is requested to unmute Chairman sir

**Shri Shailesh K. Desai – Chairman of the meeting**

Good Morning,

I welcome you all at the 28th Annual General Meeting of the Company held through Video Conferencing.

As per the Attendance Record available through the module facilitated by KFin Technologies Limited, 42 members are attending the meeting through Video Conferencing.

The documents referred in the Notice and the other Statutory Registers are available for inspection in the electronic mode. Members seeking to inspect the documents can send an e-mail to the Company at [cslegal@srmtl.com](mailto:cslegal@srmtl.com).

As the requisite quorum of members is present through Video Conferencing, I declare the meeting in order.

Now, I request the Company Secretary of the company to start with the proceedings of the meeting.

Moderator is requested to unmute Company Secretary

**Mr. Sandip Mistry – Company Secretary**

Thank You Sir.

Pursuant to the MCA Circulars and SEBI Circulars, the Annual Report for the Financial Year 2021-22 along with Notice, Board's Report, Auditor's Report and Financial Statements has already been circulated to all the shareholders through electronic mode whose email addresses are registered with the Company or Depositories. The Notice and Annual Report have been uploaded on the website of the Company at [www.srmtl.com](http://www.srmtl.com). The Notice can also be accessed from the websites of BSE Limited and National Stock Exchange of India Limited and the AGM Notice is also available on the website of M/s Kfin Technologies Limited i.e. <https://evoting.kfintech.com>.

With your permission, the Notice of the 28th AGM is taken as read, however, for your consideration, I read the businesses in brief as set out in the Notice of the meeting:

**ORDINARY BUSINESS:**

**Ordinary Resolution No. 1:**

Consideration and adoption of Audited Financial Statements for the Financial Year ended 31st March, 2022 and the Reports of Board of Directors and Auditors thereon.

**Ordinary Resolution No. 2:**

Appointment of a Director in place of Smt. Vandana C. Patel, who retires by rotation and being eligible, offers herself for re-appointment.

**Ordinary Resolution No. 3:**

Appointment of M/s. Mahendra N. Shah & Co., Chartered Accountants, Ahmedabad as new Statutory Auditor of the Company for the term of 5 years from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting.

**SPECIAL BUSINESS:**

**Ordinary Resolution No. 4**

Approval for re-appointment of Sh. Hemal R. Shah as Whole-Time Director of the Company.

**Ordinary Resolution No. 5**

Ratification of Remuneration to be payable to Cost Auditors of the Company.

Now, I read in brief the qualifications of the Statutory Auditor and Secretarial Auditor of the company:

**Statutory Auditors' Qualifications:**

The statutory auditor has qualified the opinion on

- (1) Regarding the non-provision of interest on borrowings in form of Loans and debentures and
- (2) Non-consolidation of accounts of Shree Rama (Mauritius) Limited (Wholly Owned Subsidiary) which is given on the page no 46 of the annual Report.

**Secretarial Auditors' Qualifications:**

The secretarial auditor has qualified the opinion on

- (1) Non-consolidated accounts of its wholly own subsidiary i.e. Shree Rama Mauritius Limited,
- (2) Non redemption of preference shares and
- (3) non transfer of unpaid dividend to IEPF which is given on the page no 17/18 of the annual Report.

Attention of the Members is drawn to the explanations / comments given by the Board of Directors in their report for the qualifications, observations or comments made by Statutory Auditor and Secretarial Auditor on page no. 7, 8 and 9 of the Annual Report 2021-22.

The comments given by the Board of Directors are taken as read.

Now I request the Chairman Sir to address the members and brief them about the performance of the company.

Moderator is requested to unmute Chairman sir

**Shri Shailesh K. Desai**

Dear Members,

My sincere thanks to all of you for being with us on this occasion. I trust your family and you are keeping well.

The Annual Report for the financial year ended on 31st March, 2022 along with Board's Report, Audited Financial Statements are already circulated to you in advance.

Now, I brief you about the industry and the performance of the Company.

The Indian packaging industry's market size is at Rs. 2050 - 2100 billion in fiscal 2022 growing at CAGR 6.4-7.0% from fiscal 2017. Polymer packaging which form two-thirds of the industry by revenue, grew 6% during the year. The paper packaging segment also witnessed a strong 11.8% CAGR revenue growth. On the other hand, metal and glass packaging witnessed a moderate 6.7% and 2.4% growth, respectively during fiscal 2017-2021. Demand for packaging segments comes from food packaging and pharma segments.

Over fiscals 2022 - 2027, as per expectation the industry to log 7 - 8% CAGR on the back of healthy volume growth driven by polymer, paper and metals packaging segments. The pharmaceutical industry, chemical, food product, and personal care sectors are expected to be the key growth drivers. Fast-moving consumer goods (FMCG) companies' increasing focus on innovative packaging solutions that offer scope for enhanced aesthetic value and extended shelf life will also propel demand.

The Key growth drivers for packaging industry are Growth prospects of end-user sectors, increasing rural demand for small packaged goods, expected growth in organized retail and

e-commerce industry, Better affordability levels, health-conscious nature of consumers, growing population of working women, changing lifestyle a key factor and Demand for innovative product solutions and sustainable packaging.

SRMTL is an ISO 9001:2015, ISO 15378:2017 and DMF-type III certified Company engaged in providing primary packaging solution. We currently manufacture a wide and diverse range of packaging products such as laminated tubes ("Lami Tubes"), tube laminates and flexible laminates. Our products are primarily used for oral care, pharmaceuticals, cosmetics and fast-moving consumer goods (FMCG) sectors. Our products are available in different sizes, diameters and circular shape as per the specifications of our customers.

Your company's major product is laminated tubes and laminates, which is used for packing products in paste or gel form. Production related to Tubes was increased by 4 % as compared to last year which was hit by lockdown due to Covid-19 pandemic.

The key growth driver for the year was tube laminate with 21 % growth in production as compared to last year. The another high potential segment for your company is flexible laminate which grew 4 % as compared to last year. The numbers of key customers have been tapped for this segment which can give impressive growth in the coming year.

During the financial year 2021-22, the Company has achieved total revenue from operation of Rs. 15,031.47 lakhs, thereby registered growth in revenue by 10.69% as compared to the previous year's figure of Rs.13580.13 lakhs. The EBIDTA of the Company during the year stood at Rs.238.46 Lakhs. The export sales for the FY 2021-22 was Rs. 3040.19 Lakhs.

During first quarter of current year 2022-23, the Company has achieved the total revenue of Rs. 4821.82 Lakhs as compared to Rs. 3537.52 Lakhs of corresponding 1st quarter of the previous F.Y being a rise of 36.31%. The Net profit earned during the 1st quarter of the current FY 2022-23 is Rs. 127.66 lakhs as compared to Rs. 5.32 lakhs of corresponding first quarter of the previous financial year.

Further, your company is exploring the export of Laminates to capture global demand of the Laminates and with efficient efforts of the company, your company has achieved the total Export of Rs. 1501.01 Lakhs for the 1st quarter of FY 2022-23, out of which the export of Laminates is Rs. 920.81 lakhs for the 1st quarter.

I would like to inform you that your Board of Directors has proposed to raise the funds through issue of equity shares on Rights Issue basis to the existing equity shareholders of the Company for the amount up to Rs.80 Crores in supersession of earlier resolution to repay the borrowings and redemption of principal amount of preference shares and the Company has filed Draft Letter of Offer with SEBI for the approval to raise the fund. The Company has received the In-principle approval from BSE & NSE for the proposed Rights Issue. The Company is under process to get the SEBI clearance for the proposed Rights Issue.

In my concluding remarks. I am thankful to Bankers who stood by us in maintaining good liquidity.

I convey my special thanks to the shareholders for joining in the meeting and for their support and valuable time given to the company.

### **Thanks**

The shareholders who have any queries and have not registered themselves with the Company as Speaker may send their queries to the Company at [cslegal@srmtl.com](mailto:cslegal@srmtl.com).

As we have received some questions from shareholders through Kfintech system and also through email, I will give the answers after the completion of session of question & answers of speakers.

As per the record of our Registrar, 6 (Six) shareholders have registered themselves as speakers to speak during the meeting.

We shall allow the speakers to ask the questions one by one and thereafter I will give the answers to the questions of the speakers.

Please note that the speaker will be unmuted and is allowed to speak for 3 minutes. Therefore, you are requested to complete your questions within the time allotted to you and thereafter you will be muted.

I request moderator to unmute the speakers one by one.

**Moderator**

Thank Chairman Sir. Now I will unmute the currently available registered speaker to speak at the meeting.

I would now like to invite our first speaker shareholder, Mr. Vaibhav Badjatya from Mumbai.

Mr. Vaibhav Badjatya, I would request you to please unmute your audio and switch on your video and please go ahead with your questions, please.

**Mr. Vaibhav Badjatya**

Am I Audible,

Good Moring Sir, As I had already submitted my questions to you. Whether it had been received you

**Shri Shailesh K. Desai**

Yes, it has been received.

**Mr. Vaibhav Badjatya**

Ok, so I request you to reply answers one by one.

Thank you.

**Shri Shailesh K. Desai**

Yes, I will reply.

**Moderator**

Thank you very much. now I move to next speaker shareholder, Mr. Kirti Shah from Mumbai to go ahead.

**Moderator**

The speaker Mr. Kirti Shah is not available now, I request our next speaker, Mr. Aloysius Peter Mascarenhas from Mumbai to go ahead.

**Moderator**

The speaker Mr. Aloysius Peter Mascarenhas is not available now, I request our next speaker, Mr. Lekha Satish Shah from Mumbai to go ahead.

**Moderator**

The speaker Mr. Lekha Satish Shah is not available now, I request our next speaker, Mr. Dinesh Amrutlal Kotecha from Vasai to go ahead.

Mr. Mr. Dinesh Amrutlal Kotecha, I would request you to please unmute your audio and switch on the video and go ahead with your question, Sir.

**Mr. Dinesh Amrutlal Kotecha**

Am I Audible,

**Moderator,**

Yes

Good Morning Shri Shaileshbhai, right now at 11: 00 A.M. there are around 21 meetings going on. Sir, I am very happy with the first quarter results. I would like to keep this momentum whether you will say yes or no. I am happy with the margin for earlier quarter and earlier year 3% to 4%. I also want to thank to Shri Sandipbhai, Company Secretary for providing the Xerox copy of Annual Report as it is very difficult to refer the soft copy of the annual report. On page no. 11 & 12 what is the status of the matter pending with the Gujarat High Court and as it is pending since last 2 and half year. Up to what period the debt is extended. The level of dividend compromise by the Preference Shareholder on outstanding preference shares what is the extended time of waiver of dividend. What is the status of Rights Issue and what will be the ratio and premium you will charge? Why there is vast difference between installed capacity and utilised capacity. What is the status of Pondicherry unit? Whether it is realised for sale. Whether the promoter intend to increase their holding in the Rights Issue if yes provide the clarification to get the clear idea. Other packaging Companies are doing very good in this sector and in the next 3 year I think 31<sup>st</sup> AGM we will on track. Is Rights issue definitely come by 31/03/2023 because you said it is process with the SEBI and give more idea about it. We must back to the wall and I am very happy and with you in all difficulties. I will also apply in Rights Issue and even more and approve all resolutions and also I want answers of all the questions as you know other speakers will not come. Thank as I want to attend other meeting also.

**Moderator**

Thank you very much. I now invite our next speaker shareholder, Mr. Tejas S. Shah from Ahmedabad to go ahead.

Mr. Tejas S. Shah, I would request you to please unmute your audio and switch on the video and go ahead with your question, Sir.

**Mr. Tejas S. Shah**

Am I Audible,

Good Morning Chairman and all the Board Members, this year performance is very low even though the revenue increased by 10%. What is reason for the losses. One side you said that high price of raw material is responsible for this then why the inventory increase by 15%. Packaging industries are growing very well and why we not. What we plan to grow. When we reach turnover of 500 crores. What is the road map for next 3 years? What is the status of case pending with High court? For Rights issue my suggestion is to also look after the interest of the small shareholder and their benefits.

**Moderator**

Thank you. As there are no further speakers, with this we conclude the audio/ video questions from the shareholders. Now I hand over back to the chairman.

**Shri Shailesh K. Desai**



I will first answer to the questions that came from speaker Mr. Vaibhav Badjatya which are as follows:

1. Can you please comment on long term vision, ambitions and strategy of the company?

**Ans.** Long term vision is to expand our footprint in Cosmetic as well as Pharma segments of LamiTube market. At the same time, our goal for Tube Laminate business is to expand footprint in foreign markets for better margins and balancing our product basket.

2. Company has capacity to manufacture 96cr Lami tubes and 15,000MT of Laminates. However capacity utilization since last many years have been really low. Can you please let us know the bottlenecks in making full use of our capacity or at least around 80%? Are there any machinery related issues which needs capital expenditure to increase utilization?

**Ans.** The capacity you are referring to is “Installed Capacity” provided at the time of machine installations between years 1996 – 1999. The “Operating Capacity” is lower and currently we are working at 80% of that. To further augment the capacity, new CAPEX is required.

3. For future expansion, do we need to acquire land or existing location has enough land for future expansions as well? What is the maximum expansion possible at existing location?

**Ans.** Existing location has enough land available so no further land acquisition is required.

4. What are the expansion and capex plan over next 1-3 years post the completion of rights issue?

**Ans.** Deliberations are still on internally and we have not frozen any new capex plan as of now.

5. Given the large amount of rights issue, shareholding of the promoters post rights issue can exceed maximum permissible 75%. This will require approvals from SEBI before allotment of shares. What is current status of SEBI approvals on the same and how management plans to reduce its shareholding to 75% over time?

**Ans.** The Company has not applied for any SEBI approval.

Further, the Company has disclosed under section “Intention and extent of participation by our Promoters in the Issue – Summary of Draft Letter of Offer” of the Draft Letter of Offer dated July 8, 2022 (“DLOF”), that the Promoters may subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including unsubscribed in the Issue, if any) subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations. It is also mentioned in the DLOF, that the Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

6. Given the revival of real estate market, is there rethink on plan to sell Pondicherry unit and what is approximate market value of the same?

**Ans.** We are trying to sell the property but being Pondicherry a very remote place and not much industrial developments coming so difficult to sell but our efforts are on.

Now, I will answer to the questions that came from speaker Mr. Dinesh Amrutlal Kotecha.

You question about the status of case pending with High Court. The answers is that the matter is subjudice and it take some course of time. The validity of waiver and agreement extended for next 3 months. Premium and ratio will be decided as per SEBI guidelines. Installed capacity is not utilised due to very old machinery and we will take up to replace with new one. Pondicherry is on sale but not getting good customer. Promoter holding will be as per SEBI guidelines.

Thank you Mr. Kotecha for your support.

Now I Shall answer to the questions of Mr. Tejas S. Shah.

Revenue is increasing and we are not making loss as we are making operating profit. The raw material price hiking and we take action to manage it out. The road map for next 3 years will be decided on discussion with Board members and we are on track. The matter is pending with high court is sub-judice.

Now, I request Company Secretary to continue the proceedings.

**Mr. Sandip Mistry – Company Secretary**

Thank You Sir.

Pursuant to the requirements of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standards on General Meetings issued by ICSI, Regulation 44 of SEBI (LODR) Regulations, 2015 and MCA Circulars, the Company had offered remote e-voting facility, to enable the shareholders to cast their votes electronically on the resolutions proposed in the notice of Annual General Meeting of the Company. The Company has appointed M/s KFin Technologies Limited for providing facility of casting votes through remote e-voting and e-voting system during the meeting. The remote e-voting period commenced from Monday, 12<sup>th</sup> September, 2022 (09:00 a.m.) and ended on Wednesday, 14<sup>th</sup> September, 2022 (05:00 p.m.)

The Members who are attending in this meeting through video conferencing and have not cast their votes during remote e-voting period and are otherwise not barred from doing so, are provided an opportunity to cast their votes through e-voting system.

M/s Chirag Shah & Associates, Practicing Company Secretaries has been appointed as the scrutinizer to scrutinize the remote e-voting and e-voting process made available during the AGM in a fair and transparent manner.

The consolidated result of the votes cast through remote-voting and e-voting system made available during the meeting along with the Scrutinizer's Report will be communicated to the stock exchanges and will also be hosted on the website of the Company i.e. [www.srmtl.com](http://www.srmtl.com) and on KFin Technologies Limited 's website i.e. [www.evotingindia.com](http://www.evotingindia.com) within 2 working days of completion of this meeting.

Now I request the members to exercise their voting rights through the e-voting system provided by KFin Technologies. The time period for which is 15 minutes and after that the e-voting module will be disabled.

Since, the proceedings are concluded, now the e-voting is open for 15 minutes from this time for the shareholders to cast their votes after that the Meeting will stand Concluded.

I convey my thanks to all the panellists, members and stakeholders for sparing their valuable time for this Annual General Meeting.

Thank You