



SHREE RAMA MULTI-TECH LIMITED

29TH ANNUAL GENERAL MEETING

HELD ON

FRIDAY, 22ND SEPTEMBER, 2023

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 22nd September, 2023 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 Friday, 22nd September, 2023. 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 29th Annual General Meeting of the Company held through Video Conferencing as per Circulars issued by the Ministry of Corporate Affairs 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 request the Chairman Shri Mittal K. Patel to welcome and address to the shareholders.

Moderator is requested to unmute the Chairman Sir.

Mittal K. Patel:

Good Morning,

I Mittal K. Patel, the Chairman of the Company welcome you all to the 29th Annual General Meeting of the Company. Hope all of you are safe and in good health.

We have the requisite quorum present through video conference to conduct the proceedings of the meeting. The Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA, and Section 103 of the Companies Act, 2013. The requisite quorum being present, I call this meeting in order.

I am also the Chairman of Stakeholders and Grievance Committee.

Before we start the main proceedings of the meeting, I request Company Secretary- Sandip Mistry to introduce panellist attending the meeting through video conference,

Moderator is requested to unmute the Company Secretary

Sandip Mistry:

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 Hemant Shah Chief Financial officer has joined the meeting from the plant of the company at Moti-Bhoyan Ta. Kalol.

Apart from them, we also have Statutory auditors Mr. Chirag M. Shah of M/s. Mahendra N Shah & Co. and Secretarial auditors Mr. Chirag Shah of M/s. Chirag Shah & Associates who have also joined this meeting from their office.

The documents referred in the Notice and the other Statutory Registers are available for inspection in the electronic mode. The members seeking to inspect the documents can send the e-mail to the Company at cslegal@srmtl.com.

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 provide general instructions to the members regarding participation in this meeting and business to be transacted at the Annual General Meeting.

Pursuant to the MCA Circulars and SEBI Circulars, the Annual Report for the Financial Year 2022-23 along with Notice, Board's Report, Auditor's Report and Financial Statements have 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. 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 29th 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:

1. Ordinary Resolution No. 1:

Consideration and adoption of Audited Financial Statements for the Financial Year ended 31st March, 2023 and the Reports of Board of Directors and Auditors thereon.

2. Ordinary Resolution No. 2:

Appointment of a Director in place of Shri Mittal K. Patel (DIN: 03619139), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Special Resolution No. 3

Approval for shifting of the Registered Office of the Company outside the local limits of the city to the plant at Moti Bhoyan Ta. Kalol. Dist. Gandhinagar

4. Ordinary Resolution No. 4

Ratification of Remuneration to be payable to Cost Auditors of the Company for the F.Y. 2023-24.

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 49 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.

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.

Mittal K. Patel

Dear Members,

My sincere thanks to all of you for being with us on 29th Annual General Meeting. I trust You and your family are well.

The Annual Report for the financial year ended on 31st March, 2023 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 polymer packaging industry contributes substantially to the GDP growth in India and at the same time support the consumer-led industries such as FMCG and pharma, key sectors for growth in India, with reliable of packaging solutions.

The Indian packaging industry's market size at Rs 2,150-2,200 billion in fiscal 2023, growing at CAGR 7% from fiscal 2017-22. Polymer packaging, which form nearly 60-65% of the industry by revenue, grew 6% during the period FY17-22. The paper packaging segment also witnessed a strong 12% CAGR revenue growth. On the other hand, metal and glass packaging witnessed a 3% and 8% growth, respectively during fiscal 2017-2022. Demand for packaging segments comes from food packaging and pharma segments.

Over fiscals 2022-2027, we expect 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.

The Key growth drivers for packaging industry are i) Growth prospects of end-user sectors, ii) Increasing rural demand for small packaged goods, iii) Expected growth in organized retail and ecommerce industry iv) Better affordability levels, health-conscious nature of consumers, v) Growing population of working women, changing lifestyle a key factor and vi) 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 1.57 % as compared to last year. The key growth driver for the year was tube laminate with 15.87 % growth in production 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 2022-23, the Company has achieved total revenue from operation of Rs. 196.26 Crores as compared to Rs. 150.31 Crores of previous year which shows an increase of 30.57 % over the previous year figure. The EBIDTA of the Company during the year was Rs. 14.63 Crores. The Net profit for the Financial Year 2022-23 was Rs.5.04 Crores. The Company is focusing on export market to get better margins as well as expand our footprint across the world and also expanding footprint in Pharma industry to able to make operations immune from any downturn in Oral care. The export sales achieved during the year 2022-23 is Rs. 53.61 Crores and the company is planning to expand its business in a bigger way in Laminates to achieve higher growth in coming years.

During first quarter of current year 2023-24, the Company has achieved the total revenue of Rs. 44.39 Crores. The Net profit earned during the 1st quarter of the current FY 2023-24 is Rs. 1.95 Crores as compared to Rs. 1.27 Crores 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. 10.64 Crores for the 1st quarter of FY 2023-24, out of which the export of Laminates is Rs. 4.70 Crores for the 1st quarter.

It is my great pleasure to inform you that the Company has successfully completed the Rights Issue of Equity Shares for an aggregate amount of Rs. 63 Crores. The equity shares of the Rights Issue are listed with the Stock Exchanges Viz. BSE & NSE and are traded on the Stock Exchanges. I would like to inform you that the Funds raised through the Rights Issue have been utilized to repay the borrowings and NCDs as per the Objects of the Rights Issue. I convey my thanks to all the esteemed Shareholders and the Investors for the support given for the successful completion of Rights Issue and the interest and trust shown in the Company.

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

Now I request the Company Secretary to continue the proceeding.

Moderator is requested to unmute Company Secretary

Sandip Mistry:

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.

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

As per the record of our Registrar 7 (Seven) 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 the Whole Time Director 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 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. Keshav Garg from Ranchi.

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

Moderator

The speaker Mr. Keshav Garg is not available now.

Moderator

Now I move to next speaker shareholder, 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. Ramesh Shanker Golla from Hyderabad to go ahead.

Moderator

The speaker Mr. Ramesh Shanker Golla is not available now, I request our next speaker, Mr. Vaibhav Badjatya from Thane to please unmute your audio and switch on your video and please go ahead with your questions, please.

Mr. Vaibhav Badjatya

I am audible,

Moderator

Yes, go ahead sir.

Mr. Vaibhav Badjatya

Thanks a lot sir, I had already submitted list of questions but for information I again repeat the questions:

1. Given the closure of rights issue and repayment of debt from it, what is the plan for capacity expansion for next 2-3 years? What would be the plan to fund the same?
2. Out of 15000MT of laminate capacity and 95cr of Lami tubes capacity, how much is maximum operatable given that plants are old and might not be fully operable as was stated in last year's AGM?
3. Which are the sectors which are main drivers of growth for laminates business?
4. Till what level of production of laminate and Lami tubes, we will not need to add employee's labour. In other words, to what level, expansion in volumes can be done without increase in number of employees labour?
5. Company in the annual report has mentioned about the fact that we hope to sell Pondicherry unit soon. Can you please provide estimated value of land of Pondicherry unite?
6. At existing location, what is total maximum expansion possible in term of MT capacity and tubes capacity over and above already existing capacity?

I hope you will answer to all the questions asked by me. Thank you.

Moderator

Now I move to next speaker shareholder Mr Rupesh Suryakant Shah from Ahmedabad to go ahead.

Moderator

The speaker Mr Rupesh Suryakant Shah is not available now.

Moderator

Now I move to next speaker shareholder, Mr. Aspi bamanshaw bhesania from Mumbai to please unmute your audio and switch on your video and please go ahead with your questions, please.

Mr. Aspi bamanshaw bhesania

Can you hear me, can you see me,

Moderator

Yes, go ahead sir.

Mr. Aspi bamanshaw bhesania

I request you to conduct hybrid meeting from next year. I am speaker since IPO date, thanks Link-In time to allow me to register and speak. I want to know what is a market share. How you see comparing with Essel Propak as Essel propak has main customer Proctor & Gamble and who is your main customer. I request you to somebody of Company to contact me as nobody speak. Request you allot speaker number. Thank you and all the best for future.

Moderator

Now I move to next speaker shareholder Mr. Ketan Bhagubhai Shah from Mumbai to please unmute your audio and switch on your video and please go ahead with your questions, please

Mr. Ketan Bhagubhai Shah

Can you hear me?

Moderator

Yes, go ahead sir.

Mr. Ketan Bhagubhai Shah

I want to specially thank to Mr. Sandip, Company Secretary as he helped me out to register me as speaker. I am really thankful to him. I have few questions. I want to know our capacity utilisation in 2 to 3 years in fact last 5 years are around 50% to 52%. How much can we go up from here. My next question on page no. 77 as the same been already asked by another in regard to Pondicherry unit. If you have assets held for sale how much we can realise and the book value is 2.50 Crore around and what is the market value if you are going to sale in future also and last question on 6th March, 2023 in BSE Announcement that CAPEX around 17 Crore in Multilayer and I want to know when we are going to do and means of fiancé and when we expect to start this and one more in last year on Page no. 1 operational review. We had growth in 30% top line how much contribution in the sales price from existing customer. How much growth and last question that on page no. 19 other equity items no. 17 as successfully completed Rights Issue, the contingent liabilities had gone whether we went for clean-up of Balance sheet as after so many years' company get money we expect positively in next 2-3 years and neither we require securities premium reserve. I hope you will answer one by one.

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 Company Secretary.

Sandip Mistry

As there are no further speakers, now Shri Hemal Shah, the Whole-Time Director will give the answers to the questions received from the shareholder through Kfintech system.

Moderator is requested to unmute the Whole-Time Director.

Hemal R. Shah

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

Q-1 Given the closure of rights issue and repayment of debt from it, what is the plan for capacity expansion for next 2-3 years? What would be the plan to fund the same?

Answer: we plan to add capacity in LamiTube segment as most of our machines are old and need to replace to be able to remain competitive in the market. We would be funding the expansion by Term Loan from bankers (75%) and rest (25%) by internal accruals.

Q.2 Out of 15000MT of laminate capacity and 95cr of Lami tubes capacity, how much is maximum operatable given that plants are old and might not be fully operable as was stated in last year's AGM?

Answer: 70% of Laminate capacity, around 10000MT/Year is operable and 60% of LamiTube capacity, around 56cr/Year is operable as of now.

Q.3 Which are the sectors which are main drivers of growth for laminates business?

Answer: Exports of Laminate in Oral care as well as Cosmetic sectors is main driver of growth for Laminate business.

Q.4 Till what level of production of laminate and Lami tubes, we will not need to add employee's labour. In other words, to what level, expansion in volumes can be done without increase in number of employees labour?

Answer: In Laminate Production, we will not need to employees for further 20% increase in business. For LamiTube production, as and when we add new machines we will have to add employees also for the same.

Q.5 Company in the annual report has mentioned about the fact that we hope to sell Pondicherry unit soon. Can you please provide estimated value of land of Pondicherry unite?

Answer: Currently we are in negotiation with interested parties for sale of this Property as per market rates. Value of the same will be disclosed as and when deal is concluded.

Q.6 At existing location, what is total maximum expansion possible in term of MT capacity and tubes capacity over and above already existing capacity?

Answer: At existing location we have more than enough space available to add at least 50% of existing Tube as well as Laminate capacity.

Now, I will answer to the questions that came from speakers Mr. Aspi bamanshaw bhesania.

We had a market share around 10-12 % in lamitube and 25% in laminate in India and roughly we are forming 4% to 5% business of laminate in the global market. Now comparing with EPL we are competing lamitube business and in laminate business and in laminate business EPL is not there. EPL is a worldwide leader and big group. It is constrast to match with EPL in coming years. Our main customers are Dabur, Sun pharma, Glenmark pharma, Emami Limted and we are align with customers in India and foreign market.

Now, I will answer to the questions that came from speakers Mr. Ketan Bhagubhai Shah.

In respect to capacity utilisation I had already answered for this in earlier questions. For question of extra capacity, we had 25% extra capacity in laminate and 25% in lamitube. Question related to Pondicherry unit had been already answered. For CAPEX yes CAPEX of around Rs. 17 crores and we had order the machine and it going under construction at the supplier end and expect to

get install and start production in coming March, 2024. The bifurcation of sales and effect on sales, the Raw material price increase count 40% growth in last year and rest 60% volume increase of foot print and this is bifurcation. The last question about Rights Issue and clean-up of Balance sheet and in this regard you will get to know in coming year and I will not say much in advance in that. I think I had gone for all the questions.

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 Tuesday, 19th September, 2023 (09:00 a.m.) and ended on Thursday, 21st September, 2023 (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 and on KFin Technologies Limited 's website i.e. 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