

SHILP GRAVURES LIMITED

Transcript of 27th e-Annual General Meeting of Shareholders

Day: Saturday,
Date: 26th September, 2020
Time: 4:00 p.m.
Venue: Registered Office – 778/6, Pramukh Industrial Estate, Sola Santej Road, Village-Rakanpur, Ta- Kalol, Dist. Gandhinagar-382722

Company Secretary at 4:00 p.m IST:

Dear Shareholders, Good Evening to all of you.

The time is 4.00 P.M. to start the Meeting.

On behalf of the Board of Directors of the Company, I welcome all of you to the 27th Annual General Meeting of the Company.

Dear Members,

Now, with your permission, I request Mr. Ambar Patel – Managing Director to Chair the Meeting.

Thank you Sir!!!!

I would like to take you through certain points regarding participation at this Meeting.

In view of the current extraordinary circumstances due to the COVID-19 pandemic, this meeting is held through Video Conferencing or Other Audio Visual Means.

This is in compliance with the circular issued by the Ministry of Corporate Affair, and Securities and Exchange Board of India.

The Company has taken all feasible steps to ensure that the shareholders are provided an opportunity to participate in the Annual General Meeting and vote on the items considered in this AGM. Adequate video conferencing facility and live webcast of proceeding of this meeting have been also provided through CDSL.

Since there is no physical presence of members the requirement of appointing proxy is not applicable. All the shareholders joining this meeting through Video Conferencing are by default place on mute mode by host to avoid disturbance arising from back ground noise and ensure smooth and seamless conduct of meeting.

Once the question answer session starts, chairman will announce the name of shareholders who have registered as speaker shareholder one by one. Speaker shareholder will thereafter be unmuted by the host.

To start speaking shareholder are requested to click the video on button. If the shareholder is not able to join through video for any reason, the shareholder can speak through audio mode. We would like to request shareholders to kindly limit their speech to 5 minutes.

During the AGM, if the member is facing any technical problem related to voting by electronic means, he may contact on the helpline numbers mentioned in the Notice of 27th AGM.

Now I would like to introduce the Board of Directors & Others present at the 27th AGM.

1. Mr. Ambar Patel - Managing Director
2. Mr. Shailesh Desai - Independent Director
3. Mrs. Monica Kanuga - Non Executive Director
4. Mr. Nipam Shah - Non Executive Director joining the Meeting from Ahmedabad.
5. Mr. Padmin Buch - Independent Director joining the Meeting from Ahmedabad.
6. Mr. Jainand Vyas - Independent Director joining the Meeting from Ahmedabad.

Mr. Kirit Patel, Independent Director and Dr. Baldev Patel not able to attend Meeting due to unavoidable circumstances.

The Statutory Auditors, Secretarial Auditor, Chief Financial Officer and Chief Executive Officer are also present in this Meeting.

As the requisite quorum is present and therefore, I call the meeting to order.

The register and records of Directors and Key Managerial Personnel and their shareholding are available for inspection electronically, if they so desired.

Members who have not voted earlier through remote e-voting can cast a vote in course of Meeting through e-voting facility.

Dear Members,

The Notice dated 20th June, 2020, convening this Annual General Meeting and copy of Annual Report for the financial Year ended 31st March, 2020, has already been circulated to the members of the Company electronically. With your permission, I shall take them as read.

The Auditors Report on the Standalone and Consolidated Financial Statements and the Secretarial Audit Report of the Company for the Financial Year ended 31st March, 2020, do not contain any qualification, reservation, adverse remark or disclaimer, accordingly the reports are not required to be read out as provided in the Companies Act, 2013.

Now, I request Mr. Ambar Patel, Chairman, to address the Shareholders.

Thank very much.

Chairman Address:

Dear Shareholders,

Very Good Evening to each and every one of you!

It gives me great pleasure to welcome you to the 27th Annual General Meeting of Shilp Gravures Limited.

Dear Shareholders,

The corona crisis is the most disruptive event in modern human history. The resultant economic crisis has compounded the global community's hardships. However, I have no doubt India and the world will achieve faster progress, greater prosperity and a new quality of development post the Covid crisis. And, I also strongly believe that every adversity presents multiple new opportunities.

On behalf of the Shilp Board of Directors, I have great pleasure in welcoming you all at this 27th Annual General Meeting of the Company.

Thank you for your presence here today, and for your continued support, trust, encouragement that gives us confidence to strive for betterment.

Now, with your permission, I would like to dwell on the developments in the Gravure and Packaging Industry.

➤ **GRAVURE AND PACKAGING INDUSTRY**

The gravure printing process holds a prominent place in the printing industry with its efficient, long run, high speed and consistently high-quality printing method and is well aligned with its simplicity as well as the negative impact the process has on the environment. Growth towards environmental sustainability is a powerful move for the gravure industry and it must take a further step in to sustainable practice and procedure.

The growth of the Indian packaging industry is heavily influenced by changing demographics such as growing urbanization and the rising population of middle class consumers. These changes drive the need for new packaging formats, such as different sizes, materials, and strength.

The Packaging Industry in India is segmented by End-user Industry (Food, Beverage, Healthcare, Cosmetics, Personal Care, Household Care and Industrial) and Material Type (Paper, Plastic, Glass, Metal).

The rapid growth of the market is primarily driven by the pharmaceuticals and foods and beverages industries. Huge investments in the food processing, personal care, and pharmaceuticals end-user industries are creating scope for expansion of the packaging market.

The rise of the Indian middle class, rapid expansion of organized retail, growth of exports, and India's rising e-commerce sector are further facilitating growth. According to the Indian Institute of Packaging (IIP), the packaging consumption in India has increased 200% in the past decade.

In recent years, India has seen sustainable packaging growth due to the increase of packaged food consumption and awareness, and demand for quality products. Consumer awareness surrounding packaged food, specifically packaged food deliveries, has heightened. With benefits such as functional convenience in handling & transportation, cost effectiveness and brand protection from counterfeiting, flexible packaging industry worldwide is led by a strong growth.

Your company continues to cater the Indian Packaging Industry with its dedicated endeavors which in turn stimulates the growth of the Company in the future. Your company has been investing in training the manpower and upgrading the technology from time to time to keep the pace with the changing trends.



FUTURE OUTLOOK:

A Flexible packaging has been the prime-mover of the packaging industry. Owing to developments across consumer and industrial markets that use polymeric films, improvements in manufacturing practices, and continued technological innovations, the packaging market has been able to continually grow and evolve.

As a result of the various features that come along with flexible packaging right from the ease of handling, storage, to being cost efficient, flexible packaging has carved a strong position for itself on the global turf.

The demand for flexible packaging is also seen in various industries such as food and beverages, consumer goods, pharmaceuticals, and many others. Thus, the growing use of flexible packaging in different industries is projected to boost the demand for flexible packaging and expand the flexible packaging market.

Increasing addition of layers into a flexible packaging structure in order to improve the functionality and economic viability of the flexible packaging is expected to offer immense growth opportunities. Moreover, with introduction of new products such as high-temperature retort pouch, vacuum pouch, and stand-up pouches is encouraging flexible packaging manufacturer to introduce materials with advanced and improved properties that will favor the market growth. Biobased flexible packaging is gaining popularity in the market and this is expected to open new avenues to the market of flexible packaging.

The challenge however, is to educate consumers about the sustainable advantages flexible packaging products offer today, including a lower carbon footprint, easy storage, extended shelf life and less waste. With recyclability so important, the consumers must be informed about which flexible packaging materials can be recycled and the availability of store drop-off programs.

Although flexible packaging market enjoys continuing growth over the years to come, yet is facing some challenges on occurrence of stringent environmental regulations & issues related to recyclability etc. Stringent environmental regulations related to plastic manufacturing and their use is hindering the market growth further.

Strict legislation is designed to mitigate the adverse effect on the health and environment of consumers and workers. The indiscriminate disposal of plastic has become a major threat to the environment. The rising prevalence of stringent regulation has increased the demand for environment-friendly material such as

bioplastics. There are many eco-labels and government regulations to reduce the impact of harmful products on the environment.

➤ **REVIEW OF PERFORMANCE OF THE COMPANY**

I would like to highlight some key aspects of the year under review:

- On a consolidated basis, the revenue from operations for FY 2020 was Rs.7064.59 Lacs. The profit after tax Profit after tax ("PAT") for FY 2019-20 was Rs.86.87 Lacs. On standalone basis, the revenue from operations for FY 2019-20 was Rs.6587.00 Lacs, decreased by 11.14% percent over the previous year's revenue of Rs.7413.16 Lacs in FY 2018-19. The Profit after tax ("PAT") was Rs.113.45 Lacs over the previous year's Profit after tax ("PAT") of Rs.771.42 Lacs for FY 2018-19.
- The Board of Directors of your company, after considering the relevant circumstances, has decided that it would be prudent, not to recommend any Final Dividend for the year under review. The interim dividend of Rs.1.50 (i.e. @ 15%) per equity share of face value of Rs.10 each declared by the Board at its meeting held on 17th March, 2020 shall be considered as final dividend for F.Y. 2019-20.

The management striving more and more improved results and dedicated to put their best efforts in maintaining the trend of growth in the years to come, subject to favorable market conditions and stable economic as well as financial policies.

➤ **RESPONSIBILITY TOWARDS SOCIETY**

Your Company is committed to fulfill its social responsibilities for making positive impact on society through a planned set of initiatives as per the relevant provisions of The Companies Act, 2013 and Companies CSR Policy Rules, 2014. During 2019-20, the Company has spent an amount of Rs.18.00/- Lacs on CSR.

➤ **Organisational Culture:**

The Company has always had a strong belief in their human resources. They are one most valuable asset and responsible for achieving and accomplishing the expectations of our stakeholders. Shilp is fortunate to have a dedicated team who are passionate about their work and the company ensures that it continues to nurture them by providing them a good working environment, with equal emphasis on employee welfare and employee relation initiatives.

Thank you!!!!

Company Secretary:

Now, we will take questions from speakers who have registered.

1. Mr. Vaibhav Badjatya
2. Mr. Anuj Sharma

Speaker shareholders expressed their views and asked several questions relating to the operations of the Company.

Mr. Roshan Shah, Chief Executive Officer replied suitably to all questions raised by Members.

Closing Thoughts by Chairman:

I am pretty convinced about our growth trajectory. With the support of our stakeholders, we will be able to address the underlying business challenges and move ahead with greater strength to create sustained value for our shareholders, society and our Nation.

I would like to place on record my sincere appreciation to the Board of Directors and the Management Team for their continued guidance. I would also like to express my gratitude to all our employees, customers, bankers, auditors and other stakeholders for their continued support, patronage, trust and confidence.

Looking ahead, we are working on many new opportunities and shall continue to march forward by constant innovation, performance and productivity.

With this, I would like to conclude my speech, I want to thank all our directors for joining this meeting. I request all the shareholders to remain healthy and safe and request all of to be very careful during this period and take care of you and your families.

Thank you!!!!!!!

Now I authorize, Company Secretary to conduct to voting procedure and conclude the meeting.

Company Secretary

Thank You Sir.

Lastly

➤ **Vote of Thanks**

Please note that the e-voting facility will remain open for next 15 minutes to enable the Members who have not casted their vote and would like to cast their vote on the resolution set out in notice of 27th AGM.

The results will be announced on or before 28th September, 2020 and the same will be intimated to the stock exchange and uploaded on the website of the Company and the CDSL.

With this, I want to thank all the shareholders for taking the initiative to join this meeting through video conferencing.

I am very grateful, I want to thank all the directors for joining this meeting.

Now with your consent, I declare the meeting to be concluded.

Thank you!!!!