

SHETRON LIMITED

TRANSCRIPT FOR FORTY SECOND (42ND) ANNUAL GENERAL MEETING OF THE COMPANY CONVENED **ON TUESDAY, THE 16TH DAY OF AUGUST, 2022** OVER VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) IN COMPLIANCE WITH GENERAL CIRCULAR NUMBERS 14/2020, 17/2020, 20/2020, 02/2021 AND 02/2022 AND ALL OTHER APPLICABLE LAWS AND CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS (MCA), GOVERNMENT OF INDIA AND SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI).
(MEETING COMMENCED AT 11:30 A.M. AND CONCLUDED AT 12: 00 NOON)

Panelists:

Mr. Divakar S Shetty	- Executive Chairman and Member
Mr. Kartik Manohar Nayak	- Joint Managing Director and Member
Mr. Praveen Vittal Mally	- Joint Managing Director and Member
Ms. Bhagyachandra Rao	- Independent Director
Ms. Harish HV	- Independent Director
Mr. Vilas Dingre	- Chief Financial Officer
Ms. Shipra Saha	- Company Secretary
Mr. Venkatesan	- Representative of Messrs Naresh and Co., Statutory Auditors
Mr. Vijayakrishna K T	- Secretarial Auditor

And

Shareholders

Moderator	Sir, on the count of 10, 9,8,7,6,5,4,3,2,1... we are live now. Please go ahead.
Mr. Divakar S Shetty (Chairman of the Meeting):	<p>Its 11: 30 A.M., Good Morning, Ladies and Gentlemen.</p> <p>In accordance with Article 116 of the Articles of Association, as the Chairman of the Board, let me occupy the Chair and conduct the proceedings of this Annual General Meeting.</p> <p>On behalf of the Board of Directors of the Company, I extend a very warm welcome to all of you to this 42nd Annual General Meeting and the third AGM of your Company being held through Video Conferencing.</p> <p>In view of disruptions caused by Covid-19, the Ministry of Corporate Affairs and SEBI have permitted the Companies to hold the Annual General Meeting through Video Conferencing. Accordingly, 42nd AGM of your Company is being held through Video Conferencing.</p> <p>I call the Meeting to order, as we have the requisite quorum present through video conferencing to conduct the proceedings of this Meeting. Participation of the Members through video conferencing is being reckoned for the purpose of quorum as per the circulars issued by the MCA and as per Section 103 of the Companies Act, 2013. This Meeting is being held through video conference in accordance with the circular issued by the Ministry of Corporate Affairs and SEBI. Before we start the main proceeding of this Meeting, I take this opportunity of announcing my colleagues on the Board of your Company and other participants who are participating in this video conference.</p> <ol style="list-style-type: none"> 1. Mr. B.S. Patil, Chairman of Audit, Stakeholders' Relationship & Nomination & Remuneration Committees – will be joining from the Bangalore. 2. Mr. Bhagyachandra Rao, Independent Director, Joined from Bangalore. 3. Mr. Harish HV, Independent Director, Joined from Bangalore. 4. Mr. Praveen Mally, Joint Managing Director, Joined from Mumbai.

	<p>5. Mr. Kartik Nayak, Joint Managing Director, Joined from Bangalore.</p> <p>6. Mr. Vilas Dingre, CFO, Joined from Mumbai.</p> <p>7. Ms. Shipra Saha, Company Secretary and Compliance Officer, Participating from Bangalore.</p> <p>I further acknowledge the participation of Mr. Venkatesan representing Naresh & Co, Statutory Auditors participating from Bangalore, Mr. Vijayakrishna KT, Secretarial Auditor and also Scrutinizer for this Meeting, participating from Bangalore.</p> <p>As the Notice is already circulated to all the Members, I take the Notice of the Meeting as read.</p> <p>Now I request Shipra, Company Secretary, to provide general instructions to the members regarding the participation of this meeting.</p>
<p>Ms. Shipra Saha (Company Secretary)</p>	<p>Thank you, Sir.</p> <p>Good morning everyone.</p> <ul style="list-style-type: none"> • The Company has enabled the Members to participate at the 42nd AGM through the video conferencing facility provided by Central Depository Services (India) Limited (CDSL) and Registrars and Share Transfer Agent in compliance with the applicable circulars issued by the Ministry of Corporate Affairs and SEBI. • Members have been provided with the facility to exercise their right to vote by electronic means, both remote e-voting and e-voting at the AGM in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. • The Members joining the Meeting through video conferencing, who have not already cast their votes by means of remote e-voting, may vote through e-voting facility provided by CDSL. • The Company has appointed Mr. Vijayakrishna KT, Practising Company Secretary, as the Scrutinizer who will collate the voting results of the remote e-voting for each of the items as per the Notice. • Representations under Section 113 of the Companies Act, 2013,

	<p>have been received in respect of all the Promoters, Corporate Shareholders.</p> <ul style="list-style-type: none"> • Members are requested to refer additional information provided in the Notes to AGM Notice. • The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to investors@shetrongroup.com. • As the AGM is being held through video conference, the facility for appointment of proxies by the Members was not applicable and hence, the proxy register for inspection is not available. • The Company has received requests from a few Members to register them as speakers at the meeting. Accordingly, the floor will be open for these Members to ask questions or express their views. The Moderator will facilitate this session once the Chairman opens the floor for questions and answers. <p>Thank you very much. I hand over to the Chairman to continue with the proceedings.</p>
<p>Mr. Divakar S Shetty (Chairman of the Meeting)</p>	<p>Dear members, Thank you, Saha. The Company has taken all the efforts feasible under the circumstances to enable Members to participate and vote on the items being considered at the meeting.</p> <p>Dear Members, A very warm welcome to each and every one of you. It gives me great pleasure to welcome you to the 42nd Annual General Meeting of Shetron Limited.</p> <p>I would like to thank you for sparing the time to join us today from wherever you are, and your continued faith in Shetron and its management.</p> <p>As per CII, packaging is 3rd largest Industry after the food no. 1 and energy no. 2 in the world.</p>

Global growth projected to slow down from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than what were projected in January. Beyond 2023, global growth is forecast to decline about 3.3 percent over the medium term. The war in Ukraine has triggered a costly humanitarian crisis that demands the peaceful resolution. India's economy will grow by 8% in 2023. Large infrastructure investments planned over the next 2 years will encourage more private investment. Together with the PM Gati Shakti initiative to improve India's logistics infrastructure, increased financial and technical support to states to expand capital investment will boost infrastructure spending and help spur economic growth. The Government's production-linked incentive scheme will provide a thrust to the manufacturing sector in 2022 and 2023.

The Company Scenario:

As per IIP, Indian Institute of Packaging, India packaging per capita consumption is quite low 8.7 kg compared to other countries like Germany 42 kg and Asian country like Taiwan 19 kg.

Metal packaging industry is bullish even though it has been affected by the twin impacts of securing tinsplate due to the imposition of BIS standards; plus trickling-down the effect of the Omicron virus. During the Pandemic period challenge were logistics and sourcing of main raw material namely tinsplate, volatile pricing and availability. Due to introduction of BIS standards and approval procedures, import of regular steel supplies from Japan, China, Korea, Taiwan, Europe etc. has been restricted. Your Company had kept top priority to take care of health issues of employees inside the plant as well as outside. There is move from plastic packaging to metal can and the demand for Metal Can is increased due to the factors like safe packaging, long shelf life, eco-friendly and recyclability. This is resulted in increase of demand from organized sectors.

During the year, the Company also started Industrial Packaging for non-agro products and non-seasonal and expecting growth in this segment

over the period. Further, study shows export market could have been grown but due to challenge of logistic cost, shortage of container shipment, cost is exorbitant high and volatile. Hence, your Company could not exploit full market potential.

Annual Report received by you refers in detail to the financial performance of the Company for the said year. I shall however present you highlights thereof.

- Your Company has achieved a turnover of Rs. 227.45 Crores for the year against 171.89 Crores for the previous year.
- Your Company's operations ended up with a profit of Rs. 4.92 Crores.

I take the opportunity to thank all the stakeholders of the Company - Investors, Customers, Financial Institutions, Banks, Suppliers, the Government and all other Business Associates for their continued support and co-operation. I continue to look at Shetron Limited with great optimism as a Company with great deal of resilience. The road ahead is full of challenge, but it is equally exciting and promising.

Your Directors have strongly felt the need to return to the Shareholders their dues whenever the situation permits. Due to unforeseen circumstances, your Board was forced to skip the dividend in the past 10 or so years. At the first instance of concluding that the Company has earned and will continue to earn profits, your Board decided to revert back to the track record of dividend and I am pleased to report that the in recent Board meeting decided to declare an interim dividend of 5% for the current financial year. We do hope that your Company will be able to earn decent profits in the days to come barring unforeseen circumstances.

I wish to place on record my deep sense of gratitude to my colleagues on the Board for their counsel and support. I thank you once again for your continued faith in Shetron Limited and its management. I wish you and your family members all the best!

	<p>Thank you.</p> <p>As there are no qualifications or observations or comments in the Independent Auditors' Report in the Secretarial Audit Report, with the consent of the Members, I take this Independent Auditors Report and Secretarial Audit Report as read.</p> <p>As per the Secretarial Standards, I would like to Saha, Company Secretary of the Company to briefly explain the background of all the nine (9) resolutions proposed to be passed at this AGM for the benefit of all the Members present. Thank you</p>
<p>Ms. Shipra Saha (Company Secretary)</p>	<p>Thank you, Sir.</p> <p>All the 9 proposed Resolutions have been exhibited in the Notice convening this Meeting. The gist of the Resolutions are as under:</p> <p>ORDINARY BUSINESS:</p> <ol style="list-style-type: none"> 1. Adoption of Financial Statements for the year ended March 31, 2022. 2. Re-appointment of Mr. Divakar Shanku Shetty (DIN: 00432755), who retires by rotation, and being eligible, offers himself for reappointment. 3. Re-appointment of Messrs Naresh & Co, Chartered Accountants, Bangalore having Firm Registration No. 011293S as Statutory Auditors of the Company. <p>SPECIAL BUSINESS:</p> <ol style="list-style-type: none"> 4. Appointment of Mr. Bhagyachandra Rao (DIN: 00211127) as Director in the category of Independent Director of the Company. 5. Appointment of Mr. Harish Hassan Visweswara (DIN: 08742808) as Director in the category of Independent Director of the Company.

	<p>6. Approval of the terms and conditions for remaining period of Mr. Kartik Manohar Nayak (DIN: 00477686), Joint Managing Director.</p> <p>7. Re-appointment of Mr. Kartik Manohar Nayak (DIN: 00477686) as Joint Managing Director.</p> <p>8. Approval of the terms and conditions for remaining period of the term of Mr. Divakar S Shetty (DIN: 00432755), Executive Chairman and Whole-time Director.</p> <p>9. Ratification of the remuneration payable to Messrs. Bhat & Co., Proprietorship, Mr. Vishwanath Bhat, Cost Auditors.</p> <p>Thank you very much. I hand over to the Chairman to continue with the proceedings.</p>
<p>Mr. Divakar S Shetty (Chairman of the Meeting)</p>	<p>Thank you.</p> <p>If any Member desires to ask any question pertaining to the item on the Notice, he/she may do so now. Members are requested to keep their questions brief and specific. The moderator, a representative from CDSL will facilitate the questions on the video feature. Members may also note that the Company reserves the right to limit the number of Members asking questions depending on the availability of time. Members are requested to mention their name and their Folio number before asking their questions.</p> <p>I shall now request Praveen Mally and Kartik Nayak - Joint Managing Director and Vilas Dingre, CFO to take down questions and I shall furnish replies, explanations and observations to the Members with assistance and cooperation from JMD'S & CFO. Now, I shall now request the Moderator to give his general instructions to the Members who are present and who wish to seek clarifications one by one.</p>

Moderator	<p>Thank you, Sir.</p> <p>Sir, we have 2 speaker registered shareholders and we have a time limit for 2 minutes for each shareholder so they can ask their questions. Once I move them in the panelist they can enable their audio video.</p> <p>The first Shareholder is Kankanala Bharat raj he is not present in the meeting and the second Shareholder is Reddeppa Gundluru he is present. Reddeppa sir you can enable your audio video and you can ask your question.</p>
Mr. Reddeppa Gundluru	<p>Thank you moderator I am also opening starting my video.</p> <p>Thank you sir.</p> <p>First of all my Chairman Divakar Shanku Shetty sir,</p>
Mr. Divakar S Shetty (Chairman of the Meeting)	<p>Yes.</p>
Reddeppa Gundluru	<p>Kartik Manohar Nayak sir, Praveen Vittal ji, and Vilas Dingre ji, and Company Secretary Shipra Saha ji and all the other Independent, Non Executive Director of my company and my fellow shareholders of this video conference. Good morning, Namaste.</p>
Mr. Divakar S Shetty (Chairman of the Meeting)	<p>Good morning.</p>
Mr. Reddeppa Gundluru	<p>My name is Reddeppa Gundluru sir, I am from Hyderabad sir. As a shareholder sir, I am very happy and proud about the Company performance of the Company financial year 2022. Nice information sir by your speech you have given very good information and also nice annual report and also I am welcoming company secretary Shipra saha all the best for your future. Sir, I would like to appreciate on corporate governance thanks for your doing very good governance like</p>

transparency, integrity accountability is there sir, thank you, keep it up special thanks to all the KMPs of this Company. Sir, financial growth also fantastic sir. I am really happy about the dividend, we are in dividend track now sir after long year thank you so much sir and keep it up. Sir, year on growth and year end growth also increased to 33 % from 5 % and also net profit growth also year on is increased 325% from -325%. This number shows how you are working hard our company has performed healthy growth sir congratulation for this wonderful numbers. My company see you are doing very good on quality management thank you so much you have very good growth mindset and also sir I would like to thanks and congrats to support this awards. Thank you, My company won this gold and silver winner by the Can Maker Magazine and also award of excellence from IMDPA food and general from Nestle. Awards hard working ke lia dete hai sir. So thank you I'm very very happy sir. And also I'm expecting sir in a couple of years CSR mevi hmlg ko karna hai company acha profitable bana ke CSR me social activity karna hai. As of now there is no eligible for CSR I know that. Thank you sir, I have few questions Mr. Chairman.

1. What is your future vision in couple of years?

Second question is sir

2. Quarter and quarter promoter stake is increasing sir but still our company Shares are pledged 8.32%. My question is sir what are the planning you have you might be having some plan and strategic plan so what are they and when we will be releasing this?

And also sir third question is

3. What is this other income coming from?

Fourth question is sir

4. Job charges so after last financial year it has steeply increase so what kind of job charges we are incurring and forwarding charges also increasing in other expenses?

And another question is

	<p>5. Administration expenses is also increasing so what type of administration increase it is can I have break up?</p> <p>Final question is sir</p> <p>6. What policy are we having about this Trade Receivables. Trade Receivable ratio is increasing so what type of Trade Receivable policy we are having sir?</p> <p>These are my observations as of now, I have many more but I am trying for company secretary to save time over here and also her support for all the resolution voted already. Finally, I would like to thank company secretary for this wonderful service. Thanks once again, I personally believe our company will achieve many more higher award recognition and financial goals for this current financial year under leadership of Chairman Divakar Shetty sir. Thank you so much for giving this opportunity. I wish all the board of directors and all the employees would spread happiness and support to the society. Thank you sir.</p>
Mr. Divakar S Shetty (Chairman of the Meeting)	Thank you, ahh questions yeah, yeah, there are few questions?
Moderator	Sir, as of now we don't have any questions from shareholders, I think we can go ahead sir.
Mr. Divakar S Shetty (Chairman of the Meeting)	Shall I. yeah, As per the two three question, one is in page number 68 other income which clearly shows export incentives, interest received, rent received this interest received is from deposit margin money that's the one. And regarding the
Mr. Vilas Dingre, CFO	job charges it is a outside
Mr. Divakar S Shetty (Chairman of the Meeting)	<p>some job charges we get it from outsider like charges we gave for labor job that is the one</p> <p>And the trade receivable if you compare to the sales in connection with the sales growth it is the receivable is align with growth rather it is slightly improved and regarding the future as I mentioned in the speech</p>

	<p>we are already whichever the line we are in food packaging we are always remained as one of the dominant players. The second item is you know battery also dominant player we are either number one or number two. Third line we started the cap that also related to packaging that we are now expanding on that line. Which as I mentioned also slightly to the bigger products now in industrial packaging just 2 years back we just started, there is a market growth, we are seeing growth there is a potential are there is a opportunity we are as we have mentioned our packaging per capita consumption is at lowest and we see that trend for metal packaging is increasing now from the plastic to metal so company aligning with that the company has started expansion in multiple location. Bangalore we have established now we are planning current year we are putting up a another production line in Bombay for the western region market. We feel there is a growth now, you know, we are not looking back with the growth. There is government directions, also reduced plastic use other recyclable material luckily metal is a recyclable material it's got a shelf life very long and it is preferred packaging globally. I think I have answered most of your questions if anything is there that is left out I request you to kindly send in mail I will reply you in the details. We have satisfied your question and we will send the details. Any other more questions can I go ahead with that.</p>
Moderator	Sir, we don't have any questions.
Mr. Divakar S Shetty (Chairman of the Meeting)	<p>ok, ok. Thank you, all my colleagues here who has helped me.</p> <p>Members may note that the voting on the platform facilitated by CDSL will continue to be available for the next 30 minutes. Therefore, Members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Mr. Vijayakrishna KT, Practising Company Secretary, as the Scrutinizer to supervise the e-voting process. Further, I hereby authorize Shipra Saha, Company Secretary, to receive the Scrutinizer's Report on my behalf and declare the results of the voting and place the results on the website of the Company, CDSL and Stock Exchange. The resolutions, as set forth in the Notice, shall be</p>

	deemed to be passed today subject to receipt of the number of votes.
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	We are grateful to all the Shareholders for attending the meeting and I hereby declare the proceedings of this AGM as closed. Thank you very much and see you next year. Thank you.
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