

73rd ANNUAL
REPORT
2018-2019



Certifications

CERTIFICATE



Requirements for Quality Management System as per
ISO 9001 : 2015

In accordance with TÜV INDIA procedures, it is hereby certified that

CAPRIHANS INDIA LIMITED
Plot No.76 /77, MIDC, Trimbak Road,
Satpur, Nashik – 422 007, Maharashtra,
India



applies a management system in line with the above standard for the following scope

Develop, Manufacture and Supply of Rigid, Plasticized, PE Laminated & PVDC Coated PVC films and Hollow Corrugated Boards

Certificate Registration No. **QM 01 00894**
Audit Report No. **Q 9577/2019**

Valid until **04.06.2022**



Certification Body
TÜV INDIA PVT. LTD.

Issue: **05.06.2019**
Place: **MUMBAI**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures and shall be valid subject to regular Surveillance Audits.

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkoper (W), Mumbai - 400 086, India. cert.helpdesk@tuvindia.co.in

CERTIFICATE



Requirements for Environmental Management System as per
ISO 14001 : 2015

In accordance with TÜV INDIA procedures, it is hereby certified that

CAPRIHANS INDIA LIMITED
Plot No.76 /77, MIDC, Trimbak Road,
Satpur, Nashik – 422 007, Maharashtra,
India



applies a management system in line with the above standard for the following scope

Develop, Manufacture and Supply of Rigid, Plasticized, PE Laminated & PVDC Coated PVC films and Hollow Corrugated Boards

Certificate Registration No. **EM 01 00620**
Audit Report No. **Q 9577/2019**

Valid until **04.06.2022**



Certification Body
TÜV INDIA PVT. LTD.

Issue: **05.06.2019**
Place: **MUMBAI**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures and shall be valid subject to regular Surveillance Audits.

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkoper (W), Mumbai - 400 086, India. cert.helpdesk@tuvindia.co.in

CERTIFICATE



Primary Packaging Materials for Medicinal Products –
Requirements for the Application of ISO 9001:2008,
with reference to Good Manufacturing Practice (GMP)

ISO 15378 : 2015

In accordance with TÜV INDIA procedures, it is hereby certified that

CAPRIHANS INDIA LIMITED
Plot No.76 /77, MIDC, Trimbak Road,
Satpur, Nashik – 422 007, Maharashtra,
India

has been assessed and certified as meeting the requirements of the above standard for the following scope

Develop, Manufacture and Supply of Rigid, Plasticized, PE Laminated and PVDC Coated PVC films

Certificate Registration No. **PPM 01 00002**

Valid until **26.10.2019**
Initial certification **27.10.2016**



TÜV INDIA Certification Body

Mumbai, **27.10.2016**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures and shall be valid subject to Re-Certification Audit before **14.06.2019**

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkoper (W), Mumbai - 400 086, India. cert.helpdesk@tuvindia.co.in

CERTIFICATE



Requirements for Occupational Health &
Safety Management Systems as per

ISO 45001 : 2018

In accordance with TÜV INDIA procedures, it is hereby certified that

CAPRIHANS INDIA LIMITED
Plot No.76 /77, MIDC, Trimbak Road,
Satpur, Nashik – 422 007, Maharashtra,
India



applies a management system in line with the above standard for the following scope

Develop, Manufacture and Supply of Rigid, Plasticized, PE Laminated & PVDC Coated PVC films and Hollow Corrugated Boards

Certificate Registration No. **OHS 01 00004**
Audit Report No. **Q 9577/2019**

Valid until **04.06.2022**



Certification Body
TÜV INDIA PVT. LTD.

Issue: **05.06.2019**
Place: **MUMBAI**

This certification was conducted in accordance with the TÜV INDIA auditing and certification procedures and shall be valid subject to regular Surveillance Audits.

TUV India Pvt. Ltd., 801, Raheja Plaza – 1, L.B.S. Marg, Ghatkoper (W), Mumbai - 400 086, India. www.tuv-nord.com/in

BOARD OF DIRECTORS

MR.	MOFATRAJ P. MUNOT	Chairman
MR.	ROBIN BANERJEE	Managing Director
MRS	ANKITA J. KARIYA	} Directors
MR.	BHOUMICK S. VAIDYA	
MR.	K. V. MANI	
MS.	ANJALI SETH	
MR.	NITIN K. JOSHI	
MR.	SIDDHARTH S. SHETYE	
MR.	NARENDRA S. LODHA	

CFO & COMPANY SECRETARY

K. R. VISWANATHAN

BANKERS

BANK OF MAHARASHTRA
HDFC BANK LTD
STATE BANK OF INDIA

STATUTORY AUDITORS

S R B C & CO LLP
Chartered Accountants

REGISTERED OFFICE

BLOCK-D, SHIVSAGAR ESTATE,
DR. ANNIE BESANT ROAD,
WORLI, MUMBAI - 400 018.
Tel. : 2497 8660, 2497 8661
Email : cil@caprihansindia.com
Web : www.caprihansindia.com
CIN : L29150MH1946PLC004877

FACTORIES

PLOT NOS. C-13/16, ROAD NO. 16/T, WAGLE INDUSTRIAL ESTATE, THANE 400 604.
PLOT NOS. 76/77, MIDC INDUSTRIAL ESTATE, TRIMBAK ROAD, SATPUR, NASIK 422 007.

Directors' Report

To THE MEMBERS

Your Directors present their Seventy Third Annual Report on the business and operations of the Company together with the audited accounts for the year ended 31st March, 2019.

1. FINANCIAL RESULTS:

	Year ended 31st March, 2019 (Rs. in Lacs)	Year ended 31st March, 2018 (Rs. in Lacs)
Profit before finance cost, depreciation and tax	865.53	972.60
Finance cost	68.84	50.21
Depreciation	335.25	338.01
Profit before tax	461.44	584.38
Tax expense	95.27	170.33
Profit after tax	366.17	414.05
Other Comprehensive Income/(Expense)-Net of tax	(0.54)	10.56
Total Comprehensive Income - Net of Tax	365.63	424.61
Balance from last year	4329.58	4172.48
P&L Balance available for appropriation	4695.21	4597.09
Appropriations (In F.Y. 2019-20 and 2018-19 – As per Ind AS)		
Proposed Dividend	98.50	197.01
Tax on Dividend	20.25	40.50
Transfer to General Reserve	15.00	30.00
Carried forward to Balance sheet	4561.46	4329.58
Total	4695.21	4597.09

2. DIVIDEND:

The Directors are pleased to recommend payment of dividend @ 7.5% on the Equity Share Capital (Rs. 0.75 per share of the value of Rs. 10/- each) for the year ended 31st March, 2019.

3. PERFORMANCE:

- The Company's turnover for the year amounted to Rs. 269 crores as compared to Rs. 255 crores in the previous year. The Company earned a profit before tax of Rs. 4.6 crores as compared to Rs. 5.8 crores in the previous year.
- Cost pressure due to raw material price increase resulted in lower profits. However, on the positive front, there has been some softening of raw material prices during the later part of the financial year.
- An all India transporters strike which took place in July 2018 affected movement of goods. A major impact was incurrance of demurrage charges at the ports on imported consignments. The sudden declaration of the strike resulted in some unforeseen costs.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, wherever applicable;
- Appropriate accounting policies have been selected and applied consistently. The accounting estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2019 and of the Profit of the Company for the year ended 31st March, 2019.

- (c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud.
- (d) The annual accounts have been prepared on a going concern basis.
- (e) The Company has laid down internal financial controls to be followed and that such financial controls are adequate and effective; and
- (f) The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and effective.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Re-appointment of Director liable to retire by rotation:

In terms of Section 152 of the Companies Act, 2013, Mr. Narendra S. Lodha, Director is liable to retire by rotation at the ensuing Annual General Meeting and offer himself for re-appointment.

Other information pertaining to Mr. Narendra S. Lodha is provided in Corporate Governance Report annexed as **Annexure IIA** to this Report.

Resignation of Director:

Mr. Mohan H. Bhandari resigned from the Board of Directors w.e.f. 14th December 2018. The Board expressed and took on record its deep appreciation of the services rendered by Mr. Mohan H. Bhandari during his tenure as a Director of the Company.

Appointment of Director:

In terms of Section 161 of the Companies Act, 2013, Mrs. Ankita J. Kariya was appointed as an Additional Director of the Company effective 14th December, 2018, in the category “Promoter Non-Executive and Non-Independent” and she holds office upto the date of ensuing Annual General Meeting of the Company.

Other information pertaining to Mrs. Ankita J. Kariya is provided in Corporate Governance Report annexed as **Annexure – II A** to this Report.

Necessary resolution seeking your approval for the appointment of Mrs. Ankita J. Kariya as “Promoter Non-Executive and Non Independent Director” will be set out in the Notice convening the forthcoming Annual General Meeting.

Re-appointment of Independent Director:

The existing 5(five) years term of the following independent Directors of the Company will expire on 25th September 2019 and can be renewed for a further term of 5 (five) consecutive year’s subject to approval of the members of the Company by passing special resolution

- Ms. Anjali Seth
- Mr. Bhoumick S. Vaidya
- Mr. K.V. Mani
- Mr. Siddharth S. Shetye
- Mr. Nitin K. Joshi

Necessary resolutions seeking your approval for the re-appointment of Independent Directors and other information will be set out in the Notice convening the forthcoming Annual General Meeting of the Company.

Independent Director(s) Declaration:

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, and Listing Regulations, stating that they meet the criteria of independence as provided therein.

6. EVALUATION OF THE BOARD’S PERFORMANCE:

Pursuant to the provisions of Section 134(3), Section 149(8) and Schedule IV of the Act read with Listing Regulations, the performance evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, a separate meeting of the Independent Directors was held on 8th February, 2019 without the attendance of non-independent Directors and Company executives. The Independent Directors discussed matters pertaining to the Company’s affairs and functioning of the Board and presented their views.

7. CONSERVATION OF ENERGY:

Details relating to the Conservation of Energy and Technology absorption and foreign exchange earnings and outgoings as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in **Annexure I** forming part of the Directors’ Report.

8. CORPORATE GOVERNANCE:

In terms of Listing Regulations and Companies Act, 2013, a report on the Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance and Management Discussion and Analysis Report are given in **Annexure II and III** respectively, to this report.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In line with company's CSR policy, the company is helping in educating the under-privileged and economically challenged children. Keeping this in mind, the company is attempting to upgrade facilities and enhance the quality of education / training of identified educational institutions. Accordingly, the company is involved with 3 educational institutions through direct participation in their upliftment as under:

- (i) Municipal School in Nasik (co-education municipal school for economically backward children);
- (ii) Dharmveer Anand Dighe Jidd Special School at Thane (special school for physically handicapped and mentally challenged children), and
- (iii) Daang Seva Mandal Ashram School at Nasik (boarding and day-scholar school for adivasis and the under privileged children).

The Annual Report on CSR activities is given in **Annexure IV** to this report.

10. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, no reportable material weakness in the design or operation were observed.

11. VIGIL MECHANISM:

Under the vigil mechanism of the Company, by way of a whistle blower Policy, protected disclosure can be made by a whistle blower to the Managing Director. The Whistle Blower Policy may be accessed on the Company's website at the link:

<http://www.caprihansindia.com/corporatepolicy>

12. SEXUAL HARASSMENT MECHANISM:

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace and formed a committee to address the complaints in this regard in a time bound manner.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2018-19, no complaints were received in this regard.

13. AUDITORS AND AUDITORS REPORT:

STATUTORY AUDITOR:

At the Sixty-ninth Annual General Meeting (AGM) held on 28th September, 2015, M/S. S R B C & Co. LLP, Chartered Accountants (Firm Reg.No 324982E), were appointed as the Statutory Auditors of the Company to hold office for five years, from the conclusion of the Sixty-ninth AGM until the conclusion of Seventy-fourth AGM of the Company to be held in the year 2020.

The amounts mentioned in the observations of the Statutory Auditors' in Annexure 1 to their report dated 16th May, 2019 (Refer Serial Nos iii(c) and xiii) regarding related party transactions are adequately provided in the books of accounts.

COST AUDITOR:

At the Seventy Second Annual General Meeting (AGM) held on 20th September, 2018, M/S. Dhananjay V Joshi & Associates, Cost Accountants (Firm Reg. No 000030), were appointed as Cost Auditors of the Company, for conducting the audit of cost records of the Company for the financial year 2018-19.

SECRETARIAL AUDITOR:

The Board had appointed M/s DVD & Associates, Practising Company Secretaries, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2018-19.

The Report of the Secretarial Auditor pursuant to Section 204(1) of the Companies Act, 2013 and the rules made thereunder is given in **Annexure V** to this report.

14. DISCLOSURES:

(a) AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Siddharth S. Shetye (Chairman), Mr. K.V. Mani and Mr. Bhounick S. Vaidya as members. All the recommendations made by the Audit Committee were accepted by the Board.

(b) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

In terms of the provisions of Section 197(12) of the Companies Act (herein referred as Act), read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of the Annual Report.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 also forms part of the Annual Report.

However, as per the provisions of Section 136(1) of the Act, the Report and Accounts are being sent to the members, excluding the aforesaid information. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company.

(c) EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the annual return is available on the Company's website www.caprihansindia.com.

(d) NUMBER OF BOARD MEETINGS:

The Board of Directors met 5 (five) times in the year 2018-19. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

(e) RELATED PARTY TRANSACTIONS:

All the related party transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Regulations. All the related party transactions are presented to the Audit Committee for their recommendations to the Board.

The Related Party Transaction Policy is available on the Company's website at the link:

<http://www.caprihansindia.com/corporatepolicy>

The disclosure relating to the transaction with related parties are mentioned in Note No. 33 to the notes on financial statement.

(f) PARTICULARS OF LOAN GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

Particulars of loan given are provided in the Note No 6 to the notes on financial statements.

15. INDUSTRIAL RELATIONS:

The industrial relations remained cordial during the year.

16. ACKNOWLEDGEMENT:

The Board wishes to place on record its appreciation of the services rendered by the employees of the Company. The Board also wishes to thank the Bankers for the co-operation and assistance extended by them.

On behalf of the Board of Directors

ROBIN BANERJEE
Managing Director

SIDDHARTH S. SHETYE
Director

Place : Pune

Dated : 16th May, 2019

Annexure I to the Directors' Report

A. CONSERVATION OF ENERGY:

(i) Steps taken for conservation of Energy:

- Maintaining the improved power factor.
- Insulation of Steam & Hot water pipes to reduce heat loss due to radiation
- Replacement of old pumps by energy efficient pumps.
- Replacement of belt driven exhaust fan with Direct Driven Exhaust fan for power saving
- Insulation of Boiler Feed water tank to maintain to reduce heat loss due to radiation.

(ii) Steps taken by the Company for utilizing alternate source of energy:

- Feasibility of using Solar Energy is being evaluated.

(iii) The Capital investment on energy conservation equipment:

- Replacement of DC motor by AC motor for certain equipments.

B. TECHNOLOGY ABSORPTION:

(i) Major efforts made towards technology absorption:

- Establishing ISO, 15378 thereby bringing better systems and processes, improved quality in all production lines, which is in line with customer expectations.
- Establishing ISO, 14001 thereby bringing better systems and processes, improved utilization of natural resources.
- Working on different formulations including cost effective ones.

(ii) The benefit derived like product improvement, cost reduction, product development or import substitution:

- Achieved better quality and higher line efficiency
- Cost effective finished products
- Different variants depending upon customer specific requirements
- Six Sigma projects on various production activities.

(iii) Information regarding imported technology:

(Imported during last three years): **NIL**

(iv) Expenditure incurred on Research and Development (R&D)

The Company had received from Department of Scientific & Industrial Research (DSIR), Government of India recognition for In-House R&D unit(s) for both the factories viz. Nashik & Thane Factory in the previous financial years and was valid upto 31st March, 2019. The Company has made renewal application to DSIR for extending the said validity. Both the R&D laboratories are equipped with wide range of modern and sophisticated testing and development equipments, to cater the needs of both national and international customers. The product development instruments are manned by qualified and experienced personnel.

The Company is actively working on various R&D opportunities in optimizing cost, enhancing product deliverables and improving customer satisfaction.

Following are the details of expenditure incurred on R&D for the financial year ended 31st March, 2019

Year ended 31st March, 2019			
(Rs. in Lacs)			
	Thane	Nashik	Total
(a) Capital	0.97	8.41	9.38
(b) Recurring	28.19	30.90	59.09
(c) Total	29.16	39.31	68.47

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Activities relating to Exports : The exports of goods during the year amounted to Rs. 4,649 lacs.
- Total foreign exchange
 - Used : (i) CIF Value of Imports : Rs. 13,482 lacs.
(ii) Expenditure in foreign currency : Rs. 88 lacs.
 - Earned : FOB value of exports : Rs. 4,003 lacs.

Annexure II to the Directors' Report - Corporate Governance

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability across all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

2. Board of Directors

(a) Composition:

The composition of the Board as on 31st March, 2019 is as follows:

Name and Designation of the Director	Category	*No. of Directorships and Committee Membership/ Chairmanship (Other than Caprihans India Limited)		
		Other Directorship	**Other Committee Membership	**Committee Chairmanship
Mr. Mofatraj P. Munot (Chairman)	Promoter Non-Executive	2	3	0
Mrs. Ankita J. Kariya***	Promoter Non-Executive	—	—	—
Mr. Robin Banerjee (Managing Director)	Executive	2	4	1
Mr. Bhoumick S. Vaidya	Independent Non-Executive	—	—	—
Mr. K. V. Mani	Independent Non-Executive	1	—	1
Ms. Anjali Seth	Independent Non-Executive	7	4	2
Mr. Siddharth S. Shetye	Independent Non-Executive	—	—	—
Mr. Nitin K. Joshi	Independent Non-Executive	1	—	—
Mr. Narendra S. Lodha	Non-Independent Non-Executive	3	—	—

Notes:

* Directorships in private companies, foreign companies and associations are excluded.

** Represent Membership / Chairmanship of Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee only.

*** Appointed w.e.f. 14.12.2018.

Out of total strength of Nine (9) Directors as on 31st March, 2019, five are independent which complies with the requirements of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the composition of the Board.

(b) Category of Directorship held by the Directors of the Company in other Listed entities:

Name of the Director	Name of Listed entity(s) where he/she is a Director	Category
Mr. Mofatraj P. Munot	Kalpataru Power Transmission Limited	Promoter – Whole Time Director
Mrs. Ankita J. Kariya	None	NA
Mr. Robin Banerjee	VIP Clothing Limited	Independent Director

Name of the Director	Name of Listed entity(s) where he/she is a Director	Category
Mr. Bhoumick S. Vaidya	None	NA
Mr. K. V. Mani	Kalpataru Power Transmission Limited	Independent Director
Ms. Anjali Seth	ADF Foods Limited	Independent Director
	Endurance Technologies Limited (Cn)	
	Kalpataru Power Transmission Ltd	
	JMC Projects (India) Ltd	
	Centrum Capital Limited	
Mr. Siddharth S. Shetye	None	NA
Mr. Nitin K. Joshi	None	NA
Mr. Narendra S. Lodha	None	NA

(c) Profile of Directors:

A brief profile of Directors seeking appointment/re-appointment is given in Annexure II A to this report.

(d) Number of Board Meetings, attendance at Board Meetings and previous Annual General Meeting:

During the year ended 31st March, 2019, Five (5) Board Meetings were held on 18/05/2018, 08/08/2018, 02/11/2018, 14/12/2018 and 08/02/2019.

Attendance at above Board Meetings and at last Annual General Meeting (AGM) held on 20th September, 2018 is as under:

Name of the Director	No of Board Meetings attended	Attendance at the last AGM
Mr. Mofatraj P. Munot	3	YES
Mr. Mohan H. Bhandari*	3	NO
Mrs. Ankita J. Kariya**	1	NA
Mr. Robin Banerjee	5	YES
Mr. Bhoumick S. Vaidya	5	NO
Mr. K. V. Mani	4	YES
Ms. Anjali Seth	4	NO
Mr. Siddharth S. Shetye	5	YES
Mr. Nitin K. Joshi	5	YES
Mr. Narendra S. Lodha	4	YES

* Resigned w.e.f. 14.12.2018

** Appointed w.e.f. 14.12.2018

Shareholding of Non-Executive Directors as on 31/03/2019 is as under:

Name of the Director	No. of Shares
Mr. Mofatraj P. Munot	664371
Mrs. Ankita J. Kariya*	—
Mr. Bhoumick S. Vaidya	—
Mr. K. V. Mani	—
Ms. Anjali Seth	—