

caprihans
INDIA LIMITED

Quality solutions... for decades

75TH ANNUAL REPORT 2020-2021



**PVC WITH
A PURPOSE**



*Excellence in
PVC Manufacturing*

caprihans
INDIA LIMITED

BOARD OF DIRECTORS

MRS ANKITA J. KARIYA	Chairperson
MR. ROBIN BANERJEE	Managing Director
MR. BHOUMICK S. VAIDYA	} Directors
MR. K. V. MANI (till 21.01.2021)	
MS. ANJALI SETH	
MR. NITIN K. JOSHI	
MR. SIDDHARTH S. SHETYE	
MR. NARENDRA S. LODHA	
MR. CHANDRASHEKHAR JOGLEKAR	

CFO & COMPANY SECRETARY

MR. PRITAM PAUL

BANKERS

BANK OF MAHARASHTRA
HDFC BANK LTD

STATUTORY AUDITORS

BATLIBOI & PUROHIT
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 **75th (Seventy Fifth)** Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended 31st March, 2021.

1. FINANCIAL RESULTS:

	Year ended 31st March, 2021 (Rs. in Lacs)	Year ended 31st March, 2020 (Rs. in Lacs)
Profit before finance cost, depreciation and tax	3064.06	1659.28
Finance cost	90.33	80.06
Depreciation	361.99	379.92
Profit before tax	2596.54	1199.30
Tax expense	547.09	279.59
Profit after tax	2022.45	919.71
Other Comprehensive Income/(Expense)-Net of tax	19.69	(13.41)
Total Comprehensive Income - Net of Tax	2042.14	906.30
Balance from last year	5467.78	4561.48
P&L Balance available for appropriation	7509.92	5467.78
Appropriations: (In F.Y. 2021-22 and 2020-21 as per Ind AS)		
Proposed Dividend (to be recommended in Board Meeting)	0.00	0.00
Transfer to General Reserve (to be decided in Board Meeting)	0.00	0.00
Carried forward to Balance sheet	7509.92	5467.78
Total	7509.92	5467.78

2. DIVIDEND:

In order to conserve financial resources owing to ongoing COVID 19 pandemic, the Board has not recommended any dividend for financial year 2020-21.

3. PERFORMANCE:

- a) The Company's turnover for the year amounted to Rs. 297 crores as compared to Rs. 289 crores in the previous year. The Company earned a profit before tax of Rs. 26.0 crores as compared to Rs. 12.0 crores in the previous year. The current year's profit before tax includes Rs. 3.7 crores towards interest received on income tax refunds, which is extraordinary in nature.

b) **COVID 19**

The COVID-19 pandemic has brought economies, businesses and lives around the world to a standstill, and our country is no exception. Based on the directives and advisories issued by central and state governments during the lock down period, our operations in Thane plant got affected majorly during the months from Apr'20 to June'20. However, our operations at Nasik factory continued more or less seamlessly inspite of manpower deployment constraints.

Due to the ongoing pandemic, many customers incurred financial difficulties. Recovery of some of our sales proceeds in Mar'21 looked a bit doubtful. Accordingly, management made their estimates on the debtors recoverability and made appropriate provisions based on their assessments of the situation.

However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

4. SHIFTING OF REGISTERED OFFICE AND CORPORATE OFFICE:

The Shareholders of the Company had approved the shifting of Registered Office from the City of Mumbai to City of Thane w.e.f. 1st April 2020 vide postal ballot on 24th February 2020.

Owing to the nationwide lockdown beginning end of March, 2020 due to the COVID-19 pandemic, the shifting of Registered office of the Company could not happen considering travel restrictions and overall safety of the employees due to severe pandemic situations.

The Company will again evaluate the option of shifting of registered office at an appropriate time as an when the situation is safe and normal and accordingly the Company will approach for fresh requisite approvals, if any.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, wherever applicable;
- (b) 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, 2021 and of the Profit of the Company for the year ended 31st March, 2021.
- (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.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sad demise of Director

Shri. K.V. Mani, Independent Director of Company left for heavenly abode on 20th January 2021. The sudden demise of Shri K.V. Mani is a great loss to Caprihans. Shri. K.V. Mani added immense value, professional expertise and guidance to the overall functioning of the Board. His decades long experience, valuable inputs and guidance will always be missed. The Board expresses its sincere gratitude and appreciation for his services during his association as an Independent Director.

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 herself for re-appointment.

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

Re-appointment of Managing Director

The Board of Directors at its meeting held on 26th April, 2021, based on recommendation of the Nomination and Remuneration Committee, has re-appointed Mr. Robin Banerjee as Managing Director of the Company for a period of one year starting from 29th April, 2021 till 28th April, 2022, subject to approval of shareholders at the ensuing Annual General Meeting

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.

7. 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 10th February, 2021 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.

8. 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.

9. 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.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In line with company's CSR policy, the company has continued helping in educating the under-privileged and economically challenged children. Keeping this in mind, the company initiated to upgrade facilities and enhance the quality of education / training of identified educational institutions. Accordingly, the company is involved with three 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.

11. 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.

12. 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>

13. 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.

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 2020-21, no complaints were received in this regard.

14. AUDITORS AND AUDITORS REPORT:

STATUTORY AUDITOR:

At the Seventy-fourth Annual General Meeting (AGM) held on 30th September, 2020, M/S. Batliboi & Purohit, Chartered Accountants (Firm Reg. No. 101048W), were appointed as the Statutory Auditors of the Company to hold office for five years, from the conclusion of the Seventy-fourth AGM until the conclusion of Seventy-ninth AGM of the Company to be held in the year 2025.

COST AUDITOR:

At the Seventy Fourth Annual General Meeting (AGM) held on 30th September, 2020, 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 2020-21.

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 2020-21.

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.

15. DISCLOSURES:

(a) AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Siddharth S Shetye (Chairman), Mr. Bhounick S Vaidya and Mr. Narendra S. Lodha 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 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:

Draft Annual Return in form MGT 7 has been uploaded on the website of the Company i.e. www.caprihansindia.com

(d) NUMBER OF BOARD MEETINGS:

The Board of Directors met 4 (four) times in the year 2020-21. 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.

16. INDUSTRIAL RELATIONS:

The industrial relations remained cordial during the year.

17. 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 their continued co-operation and assistance extended by them.

On behalf of the Board of Directors

ROBIN BANERJEE
Managing Director
Place: Mumbai

SIDDHARTH S. SHETYE
Director
Place: Pune

Dated : 25th June, 2021

Annexure I to the Directors' Report

A. CONSERVATION OF ENERGY

(i) Steps taken for conservation of Energy:

- Insulation of Steam & Hot water pipes to reduce heat loss due to radiation.
- Proper servicing of heating valves, heat exchangers and steam traps to eliminate heating wastage leading to energy costs savings.
- Maintaining the improved power factor as per new rules.
- Replacement of old pumps by energy efficient pumps.
- Replacement of belt driven exhaust fan with Direct Driven Exhaust fan for power saving.

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

- Feasibility of using Solar Energy is being evaluated at both the plants.

(iii) The Capital investment on energy conservation equipment

- Replacement of DC motor by energy efficient motors for certain equipment.
- Evaluation of new generation machines for better quality and energy saving.

B. TECHNOLOGY ABSORPTION

(i) Major efforts made towards technology absorption:

- Establishing ISO, 15378 bringing better systems and processes, improved quality in all production lines, which is in line with customer expectations.
- Establishing ISO, 14001 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.
- Cost reduction by using low cost raw materials viz. stabilisers, titanium dioxides, Calcium Zinc stabiliser etc.
- Different variants depending upon customer specific requirements.

(iii) Information regarding imported technology:

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

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

Company had received renewal of recognition of In-house R&D unit(s) from Department of Scientific & Industrial Research (DSIR), Government of India for both R&D units located at Nashik & Thane up to 31-03-2022.

The Company is actively working on various R&D opportunities to develop new products, optimizing cost, enhancing product quality & deliverables and improving customer satisfaction. Caprihans have developed range of products for medical applications which have antistatic, antimicrobial, antiviral and anti-fog properties. Caprihans have also developed anti-static rigid PVC film for electronics and other applications, which is sensitive with static charge generation. Caprihans have incorporated new design rollers in flexible PVC film segment specially for sheeting and rainwear applications. Caprihans also have developed various import substituted products in flexible PVC films as detailed below:

- Sun Visor Film for major German Car maker
- Antimicrobial, antiviral PVC Films for hospital patient bed applications
- Air cushioning Sheeting for sophisticated packaging
- Inner-Lining grade for rain wear
- High Bounce Back insulation tape
- REACH and RoHS compliance insulation tape

Following are the details of expenditure incurred on R&D for the financial year ended 31st March, 2021

Head of expenditure	Year ended 31.03.2021 (Rs. in Lacs)		
	Thane	Nasik	Total
(a) Capital	3.21	11.70	14.91
(b) Recurring	20.50	30.25	50.75
Total	23.71	41.95	65.66

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to Exports : The exports of goods during the year amounted to Rs. 1683 Lakhs.
2. Total foreign exchange :
 - (a) Used
 - (i) CIF Value of Imports – Rs. 14342 lakhs.
 - (ii) Expenditure in foreign currency – **Nil**
 - (b) Earned : FOB value of exports – Rs. 1617 lakhs.

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, 2021 is as follows:

Name and Designation of the Director	Category	*No. of Directorship and Committee Membership / Chairmanship (Other than Caprihans India Limited)		
		Other Directorship	**Other Committee Membership	**Committee Chairmanship
Mrs. Ankita J. Kariya	Promoter Chairperson Non-Executive	—	—	—
Mr. Robin Banerjee (Managing Director)	Executive	2	4	1
Mr. Bhounick S Vaidya	Independent Non-Executive	—	—	—
Late Sh. K V Mani***	Independent Non-Executive	—	—	—
Ms. Anjali Seth	Independent Non-Executive	7	10	5
Mr. Siddharth S Shetye	Independent Non-Executive	—	—	—
Mr. Nitin K Joshi	Independent Non-Executive	1	—	—
Mr. Narendra Lodha	Non-Executive	3	—	—
Mr. Chandrashekhar Joglekar	Non-Executive	—	—	—

Note:

* 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.

*** Cessation w.e.f. 22.01.2021 due to sad demise.

Out of total strength of Eight (8) Directors as on 31st March, 2021, four are independent which complies with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, relating to the composition of the Board.

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

Name the Director	Name of Listed entity(s) where he/she is a Director	Category
Mrs. Ankita J. Kariya	None	NA
Mr. Robin Banerjee	VIP Clothing Limited Rossari Biotech Limited	Independent Director Independent Director
Mr. Bhounick S Vaidya	None	NA