

76th ANNUAL
REPORT | 2021-2022

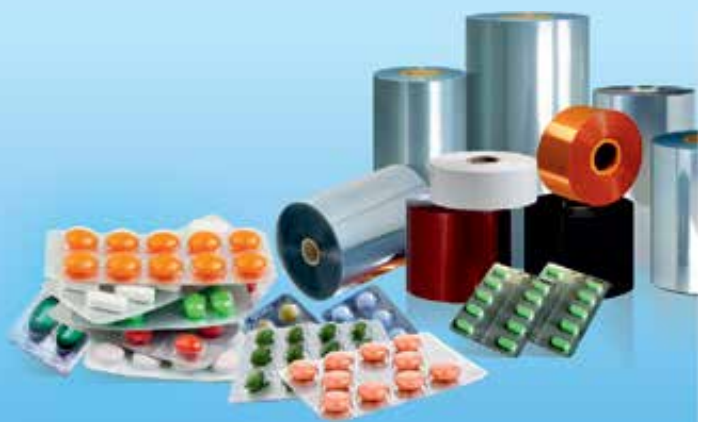


Good health in small packs.



Sundene

PVDC Coated Films



BOARD OF DIRECTORS

MRS ANKITA J. KARIYA	Chairperson
MR. ROBIN BANERJEE	Managing Director
MR. BHOUMICK S. VAIDYA	Directors
MS. ANJALI SETH (till 29.03.2022)	
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

SECRETARIAL AUDITOR

DVD & Associates

COST AUDITOR

Dhananjay V Joshi & Associates

INTERNAL AUDITOR

P G Bhagwat LLP, Chartered Accounts

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.

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Directors' Report

To THE MEMBERS

Your Directors present their **76th (Seventy Sixth)** Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended 31st March, 2022.

1. FINANCIAL RESULTS:

Particulars	(Rs. in Lacs)	
	Financial Year 2021-22	Financial Year 2020-21
Revenue from Operation	39289	29656
Other Income	438	780
Total Income	39727	30436
Total Expenses	37462	27840
Profit before finance cost, depreciation and tax	2681	3048
Finance cost	99	90
Depreciation	318	362
Profit before tax	2264	2596
Tax expense	585	574
Profit after tax	1679	2022
Other Comprehensive Income/(Expense)-Net of tax	10	20
Total Comprehensive Income - Net of Tax	1689	2042
Opening Balance of retained earnings	7510	5468
P&L Balance available for appropriation	9199	7510
Appropriations: (In F.Y. 2022-23 and 2021-22 as per Ind AS)		
Dividend		
Transfer to General Reserve	—	—
Carried forward to Balance sheet	—	—
Closing Balance of retained earnings	9199	7510
	9199	7510

2. DIVIDEND:

In view of the ongoing recessionary trend, it has been decided to conserve financial resources. The Board has therefore not recommended any dividend for financial year 2021-22.

3. PERFORMANCE:

a) Financials

The Company's turnover for the year stood to Rs. 393 crores as compared to Rs. 297 crores in the previous year. The Company earned a profit before tax of Rs. 23 crores as compared to Rs. 26 crores in the previous year.

b) COVID-19

Due to the ongoing pandemics, many customers continued to have financial stress. Recovery of some of our sales proceeds in Mar'22 therefore, looked somewhat doubtful. Accordingly, management made their estimates on the debtor's 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. 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 March 31, 2022 and of the Profit of the Company for the year ended March 31, 2022.
- (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:

Resignation of Director

Ms. Anjali Seth, Independent Director of Company resigned from the Board of Directors w.e.f. March 29, 2022. The Board expressed and took on record its sincere appreciation for the services rendered by her during her tenure as an Independent Director of the Company.

Re-appointment of a Director liable to retire by rotation:

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

Re-appointment of the Managing Director:

The Board of Directors at its meeting held on April 27, 2022, 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 (1) year starting from April 29, 2022 till April 28, 2023, subject to approval of the Shareholders at the ensuing Annual General Meeting of the Company.

Appointment as an Additional Director:

Mr Tanuj kumar Lodha was appointed as Non-Executive, Independent Director (Additional Director) of the Company w.e.f. May 03, 2022, subject to approval of the Shareholders at the ensuing Annual General Meeting of the Company. Mr. Tanuj Kumar Lodha further fulfills all the terms and conditions of rules 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

Independent Director(s) Declaration:

The Independent Directors have submitted their "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 February 10, 2022 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 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.

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.

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 2021-22, no complaints were received in this regard.

13. AUDITORS AND AUDITORS REPORT:

STATUTORY AUDITOR:

At the Seventy-fourth Annual General Meeting (AGM) held on September 30, 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 September 28, 2021, 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 2021-22.

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 2021-22.

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. Bhoumick 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 is 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 5 (five) times in the year 2021-22. 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 were 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 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 : 12th May, 2022

Annexure I to the Directors' Report

A. CONSERVATION OF ENERGY

(i) Steps taken for conservation of Energy:

- Regular maintenance of insulation of Steam and hot water pipes.
- Regular servicing of heating valves, heat exchangers and steam traps to eliminate heating wastage leading to energy costs savings.
- Continuous monitoring of power factors as per new rule.
- Periodical replacement of old pumps with latest generation energy efficient pumps.
- Need based replacement of belt driven exhaust fan with direct driven exhaust fan for power saving.
- Installation of energy efficient lighting system.

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

- Assessed feasibility study for using Solar Energy at both plants with the help of external consultants.
- Starting the use of LDO (Light Diesel Oil) replacing FO (Furnace Oil).

(iii) The Capital investment on energy conservation equipment

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

B. TECHNOLOGY ABSORPTION

(i) Major efforts made towards technology absorption:

- Established ISO 15378:2017 bringing better systems and processes, improved quality in all production lines, which is in line with customer expectations.
- Established ISO 14001:2015 bringing better systems and processes, improved utilization of natural resources.
- Established ISO 45001:2018 bringing better occupational health and safety (OH&S) management system, leading to prevention of work-related injury and ill health, as well as by proactively improving its OH&S performance.
- Continuous focus on developing alternate raw-materials from global sources, impacting product quality, market competitiveness and cost effectiveness.

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

- Cost reduction by using low cost raw materials viz. EVA, Silicon Blanket, Anti- Static agents, Stabilisers, Pigments and other raw-materials.
- Achieved better quality and higher line efficiency.
- Cost effective finished products.

(iii) Information regarding imported technology: NIL

(Imported during last three years)

(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 factories viz. Nashik & Thane for another three (3) years beyond 31-03-2022 i.e. upto 31-03-2025.

Both the R&D units continuously focus on developing new products as per customer needs while trying to optimizing cost, enhanced product quality & deliverables as per customer satisfaction. The Company has taken the following initiatives regarding development of new products which includes-

- Anti-static rigid PVC film for electronics and other applications, which is sensitive with static charge generation.
- New design rollers in flexible PVC film segment especially for sheeting and rainwear applications.

- Various import substituted products in flexible PVC films as detailed below:
 - UV stabilised with low gloss and matt surface finish auto-grade films.
 - UV stabilised film complying REACH and RoHS standards.
 - Antistatic PVC film for pharma and medical packaging application.
 - Development of Cannula PVC film for medical syringes.
 - Development of customer specific special films.

Following are the details of expenditure incurred on R&D for the financial year ended March 31, 2022

Head of expenditure	Year ended 31.03.2022		
	Rs. in Lacs		
	Thane	Nasik	Total
(a) Capital	2.42	0.60	3.02
(b) Recurring	19.64	60.76	80.40
Total	22.06	61.36	83.42

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to Exports : The CIF value of exports of goods during the year amounted to Rs. 2985 lakhs.
2. Total foreign exchange :
 - (a) Used
 - (i) CIF Value of Imports – Rs. 23241 lakhs.
 - (ii) Expenditure in foreign currency – Nil
 - (b) Earned : FOB value of exports – Rs. 2815 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, 2022 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	—	—	—
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.

*** Held office till March 29, 2022

(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
Mr. Bhounick S Vaidya	None	NA
Ms. Anjali Seth*	Endurance Technologies Limited	Independent Director
	Kalpataru Power Transmission Ltd	
	JMC Projects (India) Ltd	
	Centrum Capital Limited	
	Nirlon Limited	