

Progress with a Smile





## Vision

Transforming Health Outcomes,  
Touching Lives



## Values

### Speed

Proactive and swift action are our mantras

### Innovation

Our constant approach at all levels  
is to seek better ways of listening,  
thinking and doing - making our offerings  
meaningful and impactful

### Happiness

We are motivated by our customers' success  
and happiness of our stakeholders



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# Group Founder's Address

Dear Shareholders,

The global pharmaceutical industry has proven its capabilities once again, this time to handle the disastrous Covid pandemic. Post covid, the uncertain world has come to normalcy.

We at Caprihans are grateful to be playing our part in supporting this sector by serving with our innovative packaging solutions to pharma worldwide.

During the year, we acquired the pharma packaging division of our parent Bilcare to bring synergistic growth with complementary product lines. With two sites as a unified force, we look forward to offering one-stop-shop and end-to-end packaging solutions for all your solid dosage requirements with a product range from PVC, PVdC to Aluminum based cold form foil, lid foil, high barrier & ultra-high barrier laminates including Aclar. Along with acquisition of the business division, Caprihans has also adapted the Quality Management System (QMS), Product specifications (with Bilcare brand), Manufacturing processes etc. of Bilcare. Our team continues to deliver zero defects and timely services to all the pharma customers. Our innovation culture continues to thrive as before. The revenue of the Company is now Rs. 947 crores against Rs. 397 crores in the previous year and EBITDA are now Rs. 71 crores against Rs. 27 crores in the previous year.

On the global front, we have penetrated further into the emerging pharma markets in the MENA region, South America and Southeast Asia and we are seeing positive traction in Europe & the US as well. This sector is extremely regulated and requires a high standard of quality audits. With over 50 years of manufacturing excellence, your Company is well poised to serve the large addressable market of over \$3 bn.

Our focus continues to be research driven, patient centric innovations addressing patient convenience, brand communication, child protective blisters, anti-counterfeit solutions and dosage adherence designs. These comprehensive

offerings supplemented by medicine formulation understanding make our Company unique.

People have always been the strength of the Company and the challenging times we faced during the last few years have demonstrated the team spirit & the culture to lead the future of your Company.

With this, I conclude by humbly thanking you all for your continued support and trust in leading the Group and building Shareholder value.



Mohan H Bhandari

Group Founder



# Corporate Information

## BOARD OF DIRECTORS \*

|                        |                                 |
|------------------------|---------------------------------|
| Mrs. Ankita J. Kariya  | Chairperson & Managing Director |
| Mr. Siddharth S Shetye | Independent Director            |
| Mr. Nitin K Joshi      | Independent Director            |
| Mr. Sudhir Pendse      | Independent Director            |
| Mr. Avinash Joshi      | Independent Director            |
| Mr. Somenath Mukherjee | Executive Director              |

## CFO & COMPANY SECRETARY

Mr. Pritam Paul

## CONSORTIUM BANKERS

The Cosmos Co- Operative Bank Ltd.  
The Maharashtra State Co-Operative Bank Ltd.  
Janata Sahakari Bank Ltd., Pune  
The Vishweshwar Sahakari Bank Ltd., Pune

## OTHERS BANKERS

Bank of Maharashtra  
HDFC Bank Ltd.

## STATUTORY AUDITORS

Batliboi & Purohit  
Chartered Accountants

## SECRETARIAL AUDITORS

DVD & Associates  
Companies Secretaries

## COST AUDITORS

Dhananjay V Joshi & Associates  
Cost Accountants

## INTERNAL AUDITORS

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

- 1028 Shirol, Rajgurunagar, Pune 410 505, Maharashtra.
- Plot Nos. 76/77, MIDC Industrial Estate, Trimbak Road, Satpur, Nasik 422 007, Maharashtra.
- Plot Nos. C-13/16, Road No. 16/T, Wagle Industrial Estate, Thane 400 604, Maharashtra.

\*As on August 31, 2023

# Director's Report

To THE MEMBERS

Your Directors present their 77<sup>th</sup> (Seventy Seventh) Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2023.

## FINANCIAL RESULTS:

| (Rs. in Lacs)                                       |                           |                                       |
|---|---------------------------|---------------------------------------|
| Particulars   | Financial Year<br>2022-23 | Restated<br>Financial Year<br>2021-22 |
| Revenue from Operation                              | 93643                     | 79831                                 |
| Other Income  | 1118                      | 1054                                  |
| <b>Total Income</b>                                 | <b>94761</b>              | <b>80885</b>                          |
| <b>Total Expenses</b>                               | <b>96911</b>              | <b>84258</b>                          |
| Profit before finance cost,<br>depreciation and tax | 19815                     | 6894                                  |
| Finance cost  | 5953                      | 6860                                  |
| Depreciation  | 3329                      | 3407                                  |
| <b>Profit before tax</b>                            | <b>10533</b>              | <b>(3373)</b>                         |
| Tax expense   | 3357                      | 584.62                                |
| <b>Profit after tax</b>                             | <b>7176</b>               | <b>(3957)</b>                         |

## DIVIDEND:

Considering the current business situation and future growth plans, your Board of Directors decided to conserve financial resources and therefore, did not recommended any dividend for financial year 2022-23.

## FINANCIAL PERFORMANCE:

During the year, the Company acquired PPI (Pharma Packaging Innovations) division of Bilcare Limited by way of Slump Sale w.e.f. March 27, 2023. The Financials of the Company included the results of the said PPI division for the current year and previous year (restated wherever necessary).

On a consolidated basis (i.e. after acquisition of PPI division), Company's turnover for the year stood at Rs 94761 lacs as compared to Rs. 80885 lacs in the previous year. The Company earned a profit before tax of Rs. 10533 lacs as compared to Rs. 3373 lacs (loss) in the previous year.

## 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 March 31, 2023 and of the Profit of the Company for the year ended March 31, 2023.
- 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.
- The annual accounts have been prepared on a going concern basis.
- The Company has laid down internal financial controls to be followed and that such financial controls are adequate and effective; and
- The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and effective.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The following changes have been made to the composition of Board of Directors of the Company during the year :

There was change in responsibilities of Mr. Robin Banerjee, who resigned and ceased to be the Managing Director w.e.f. October 19, 2022.

Ms. Ankita J. Kariya was appointed as the Chairperson & Managing Director of the Company for a period of Five (5) year starting from October 19, 2022 till October 18, 2027, which was subsequently approved by the Shareholders at the Extra-Ordinary General Meeting (EOGM) held on March 27, 2023.

Mr. Tanuj Kumar Lodha, Non-Executive Independent Director was appointed w.e.f. May 03, 2022 and subsequently resigned and ceased to be Director w.e.f. December 28, 2022 due to prior engagement and continuous travel. There is no other material reason for his resignation other than those provided above.

Mr. Shreyans Bhandari, Non-Executive and Non-Independent Director was appointed w.e.f. October 19, 2022 and subsequently resigned and ceased to be Director w.e.f. March 17, 2022 due to pre-occupation. There is no other material reason for his resignation other than those provided above.

Mr. Sudhir Pendse, Non-Executive Independent Director was appointed w.e.f. December 12, 2022.

As a consequence of sale of Shares by erstwhile Promoter Group (Kalpaturu Group), the nominated Non-Executives Non-Independent Director(s) namely Mr. Narendra Lodha and Mr. Chandrashekhar Joglekar resigned and ceased to be Directors w.e.f. December 28, 2022. There is no other material reason for their resignation other than those provided above.

Mr. Bhoumick Vaidya, Non- Executive Independent Director resigned and ceased to be Director w.e.f. March 31, 2023 due to personal and unavoidable circumstances as he was not in a position to devote his time to the affairs of the Company. There is no other material reason for his resignation other than those provided above.

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

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

#### **Changes in Board Composition after the Balance Sheet date**

Mr. Somenath Mukherjee was appointed as Whole Time Director of the Company and designated as Executive Director for a term of 5 (Five) years with effect from May 29, 2023 and upto May 28, 2028. On August 27, 2023, the Shareholders of the Company, by way of a special resolution passed through postal ballot, approved the appointment of Mr. Somenath Mukherjee as an Executive Director for the above-mentioned tenure.

Mr. Avinash Joshi (DIN: 05320116) was appointed as an Independent Director of the Company for a term of 5 (Five) years with effect from June 12, 2023 and upto June 11, 2028 on the recommendation of the Nomination & Remuneration Committee ('NRC') and the Board of Directors. The Shareholders of the Company on August 27, 2023 by way of a special resolution passed through postal ballot, approved the

appointment of Mr. Avinash Joshi as an Independent Director of the Company for the above-mentioned tenure.

#### **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.

### **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 07, 2023 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.

### **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.

### **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.

### **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. Dharmveer Anand Dighe Jidd Special School at Thane (Special School for Specially abled Children) and
- ii. 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.

## **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.

## **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/corporate\\_policy](http://www.caprihansindia.com/corporate_policy)

## **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 2022-23, no complaints were received in this regard.

## **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 Sixth Annual General Meeting (AGM) held on August 10, 2022, 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 2022-23.

### **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 2022-23.

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 VI** to this report.

## **DISCLOSURES:**

### **a. AUDIT COMMITTEE:**

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](http://www.caprihansindia.com)

### **d. NUMBER OF BOARD MEETINGS:**

The Board of Directors met 10 (Ten) times during the year 2022-23. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.



**e. RELATED PARTY TRANSACTIONS:**

The Related party transactions not in the ordinary course of business are reported in Form AOC-2 as required under provisions of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is given in **Annexure V** to this report.

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, 7 & 16A to the notes on financial statements.

**INDUSTRIAL RELATIONS:**

The industrial relations remained cordial during the year.

**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

Ankita J. Kariya  
Chairperson & Managing Director  
Place: Mumbai

Siddharth S. Shetye  
Director  
Place: Mumbai

Dated: August 31, 2023

# Annexure I to the Directors' Report

## A. CONSERVATION OF ENERGY

### i. Steps taken for conservation of Energy:

- Continuous monitoring of power factors as per new rule.
- Installation of energy efficient lighting system.
- Periodical replacement of old pumps with latest generation energy efficient pumps.
- 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.
- Need based 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:

- Started use of LDO (Light Diesel Oil) replacing FO (Furnace Oil).
- Implementation of Solar Plant unit at Nashik and Thane are under active evaluation.

### iii. The Capital investment on energy conservation equipment

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

## 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:

- Various Cost reduction initiatives by sourcing low cost alternate raw materials from India and abroad.
- 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)

The Current recognition of Company's In-house R&D unit(s) from Department of Scientific & Industrial Research (DSIR), Government of India for both factories viz. Nashik & Thane is valid 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.