



28th Annual Report 2020-21

NATURAL
CAPSULES
LIMITED



CHARMAN'S ADDRESS



Dear Shareholders,

Let me please have the pleasure of announcing the completion of yet another fruitful Financial Year 2020-21. This year was very eventful and challenging due to the unprecedented effect of Covid-19. However your Company has withstood all the negatives and has come off with flying colours.

The dream project of Active Pharma Ingredients at Tumkur is in construction stage and your company has obtained all the necessary clearances from different governmental bodies and all the related works are progressing fast. Many of the key machineries have been ordered and negotiations are on to procure balance machineries.

Your Company has added new capsules manufacturing lines at Attibele unit and expansion of factory is in progress to alter the facility to accommodate additional machines and manpower.

Pondicherry unit is maintaining it's high standards as usual.

Gross sales has reached a new height as a result of dedicated efforts by management, staff and workers at every level. The Company hopes for better performance once Tumkur project is operational and looks forward for continued support from it's shareholders.

Thank You,
CP RANGACHAR
Chairman

FROM MANAGING DIRECTOR'S DESK



Dear Members,

I am here with the financial results of your Company for the year 2020-21 and proud to declare that your Company has made a net profit of 694.70 lakhs after tax of 222.16 lakhs in spite of pandemic. With encouraging increase in Company's revenue , we are better off this year and have proposed to declare a dividend of Rs 1.00 per equity share if approved in the current Annual General meeting.

During the year Company has installed 2 High speed Capsule making machines with which on going project for expansion capacity of capsules has been completed.

Work on API Project has started during the year by M/s Natural Biogenex Pvt Ltd (100% owned subsidiary) of our Company. It is heartening to note that the M/s Natural Biogenex Pvt Ltd has been selected under PLI Scheme for bulk drugs by Government of India for 3 major products. This will ensure that this venture will have smooth sailing.

We hope to grow by leaps and bounds during the coming years and look forward for your valued support and suggestions.

Thank You,
Sunil L Mundra
Managing Director

Board of Directors:

Shri. C.P Rangachar	: Chairman & Independent Director
Shri. Laxminarayan Mundra	: Whole Time Director
Shri. Satyanarayan Mundra	: Whole Time Director
Shri. Sunil Laxminarayan Mundra	: Managing Director
Shri. Anjan Kumar Roy	: Independent Director
Shri. Pramod Kasat	: Independent Director
Shri. Sushil Kumar Mundra	: Director
Smt. Jyoti Mundra	: Director

Company Secretary & Compliance Officer : Smt. Shilpa Burman

Chief Financial Officer : Shri. Prasanna B Junnarkar

Bankers : M/s State Bank of India
Commercial Branch
Bengaluru.

Secretarial Auditor : R Parthasarathy

Statutory Auditor : M/s P Chandrasekar LLP

Registered Office : M/s Natural Capsules Limited
Trident Towers, 4th Floor, No. 23
100 Feet Road, Jayanagar II Block
Bengaluru-560011
CIN: L85110KA1993PLC014742
company.sec@naturalcapsules.com

Registrar and Share Transfer Agents : M/s Cameo Corporate Services Limited
Subramanian Building, No. 1 Club House
Road, Chennai-600 002
Email Id: Kandhimathi@cameoindia.com

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Financial Highlights

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Sales & other Income	5942.12	6811.53	6328.53	5445.57	5557.01	6091.77	6250.79	8024.05
Exports	1589.94	2054.72	1884.34	1225.04	1174.74	837.99	856.93	1896.50
PBT	742.64	753.71	607.46	31.57	168.22	206.85	137.07	919.01
PAT	456.19	564.92	433.88	62.78	111.11	192.04	87.81	688.28
EPS	10.09	11.18	8.06	1.04	1.78	3.08	1.41	11.04
Dividend Per Share (Rs.)	1.5	1.5	1.5	1	1	1	0.60	1
Reserve & Surplus	3729.79	4160.25	4773.78	5276.57	4809.11	4926.18	4938.86	5589.75
Share Capital	502.27	524.27	579.27	523.27	623.27	623.27	623.27	623.37
Share holders fund	4232.06	4684.52	5353.05	5899.84	5432.38	5549.45	5562.38	6213.02
ROI	10.76	12.06	8.11	1.06	6.16	12.99	13.12	16.42

Note :

Above figures are in Rs. (In Lakhs) Except for EPS, Dividend per Share and ROI.

EPS and Dividend Per Share are in terms of numbers

ROI is in terms of percentage.

Notice

Notice is hereby given to all the members of the Company, that the **28th Annual General Meeting** of Natural Capsules Limited will be held on **Thursday, the 15th day of July, 2021** at 11.00 AM through video conferencing ("VC"), or Other Audio Visual Means ("OAVM") at the registered office of the Company at **Trident Towers, 4th Floor, No. 23, 100 Feet Road, Jayanagar II Block Bengaluru-560011**, to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Consolidated and Standalone Audited Financial Statements for the Financial Year ended 31st March 2021 together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend for the Financial Year 2020-21.
3. To appoint a Director in place of Shri Sushil Kumar Mundra (DIN: 00214332), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri. Satyanarayan Mundra (DIN: 00214349), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

5. To consider re-appointment Shri. Satyanarayan Mundra (DIN: 00214349) as Whole time Director in view of his attaining the age of 70 years, and if thought fit, to pass the following as a Special Resolution:

"RESOLVED THAT pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time) Clause 92 and Clause 95 of the Company's Articles of Association, the consent of the Company be and is hereby accorded for continuation of the tenure of appointment of Shri. Satyanarayan Mundra (DIN:00214349), as Whole time Director of the Company, who has attained the age of 70 years on 22-04-2021 on same terms and conditions of his appointment, for the remaining period of his tenure up to 21-08-2022."

"Resolved further that Mr. Sunil L Mundra, Managing Director and the Company Secretary be authorized to take all such steps as may be necessary for giving effect to this Resolution."

6. To consider increase in Authorized Share Capital and if thought fit to pass the following as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 61(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and the relevant rules framed there under and in accordance with the applicable provisions of the Articles of Association of the Company and subject to the approval of members of the Company, the consent of the Company be and is hereby accorded for increasing the Authorized Share Capital of the Company from Rs. 7,00,00,000/- (Seven Crores only) divided into 70,00,000 (In Seventy lacs only) equity shares of Rs. 10/- (Ten only) each to Rs. 15,00,00,000 /- (Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty lakh only) equity shares of Rs. 10/- (Ten only) each by the creation of additional 80,00,000 (Eighty lakhs only) equity shares of Rs. 10/- (Ten only) each, ranking pari-passu with existing Shares."

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 and the relevant rules framed thereunder, the Capital Clause (Clause V) of the Memorandum of Association of the Company be substituted with the following Clause V.

The Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Fifteen crores only) divided into 1,50,00,000 (One Crore Fifty lacs only) equity shares of Rs. 10/- (Ten only) each.

"RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all such acts, deeds, things and matters and to sign such other documents and file such forms as may be necessary and expedient to give effect to the aforesaid resolution."

7. To consider and approve increase in borrowing power of the Company and if thought fit to pass the following as a Special Resolution:-

“RESOLVED THAT in supersession of all the earlier Resolutions passed in this regard and pursuant to Section 180(1)(c) and other applicable provisions, if any of the Companies Act, 2013 and rules framed thereunder including any statutory modifications or reenactments thereof and any other applicable laws and provisions of Articles of Association of the Company, the consent of the Share Holders be and is hereby accorded to the Board of Directors to borrow such sum of moneys, from time to time, at its/finance Committee's discretion, with or without security, and upon such terms and conditions as the Board/Finance Committee may think fit, for the purpose of business of the Company, such that the moneys to be borrowed together with the moneys already borrowed by the Company if any (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) or its subsidiary and outstanding at any point of time shall not exceed a sum of Rs.120 crores (Rupees One Hundred and Twenty Crore Only), not withstanding that monies so borrowed together with monies already borrowed, may exceed the aggregate of the paid up Shared Capital of the Company and its free reserves.”

“RESOLVED FURTHER THAT the Managing Director and the Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To consider extending power to mortgage Company's immovable assets and if thought fit to pass the following as a Special Resolution:-

“Resolved that pursuant to the provisions of 180(1)(a) and other applicable provisions if any of the Companies Act 2013, rules framed thereunder including any statutory modifications are reenactments thereof and any other applicable laws, the consent of the Share Holders be and is hereby granted to the Board of Directors of the Company to Mortgage/Hypothecate and or charge all or any part of Company's movable/immovable property/s, including Land and Building situated at Company's Factories at different place/s to Banks/Financial Institutions and any other lender for securing the borrowings of Company/it's subsidiary, M/s. Natural Biogenex Private Limited, provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs.120 crores(Rupees One Hundred and Twenty Crore Only).”

Resolved further that Mr. Sunil L Mundra, Managing Director and Mr. Laxminarayan Mundra, Whole time Director of the Company be severally authorized to take all steps necessary for giving effect to this resolution.

FOR AND ON BEHALF OF THE BOARD

Place: Bangalore

Date: 18.06.2021

Sunil L Mundra

Managing Director

DIN: 00214304

Note:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“Act”), Secretarial Standard-2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Special Business is annexed hereto.
2. M/s P. Chandrasekar LLP, Chartered Accountants, continues to be the Statutory Auditors of the Company for the current financial year 2021-22.
3. The register of members and share transfer books will remain closed from 8th July 2021 to 15th July 2021 (both days inclusive) for determining the members entitled to receive dividend for the financial year ended 31st March 2021. Subject to the provisions of the Companies Act, 2013, dividend if approved by the shareholders will be payable on or after July 15, 2021 and will be paid to those shareholders whose names appear in the Company's Register of Shareholders as on 07th July 2021. In respect of the shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). HDFC Bank Limited has been appointed as the banker for the payment of dividend to the shareholders.
4. Members are requested to register/update mandate for receiving the Dividend electronically and to note the following:

- a. Members holding shares in physical form are requested to register or intimate any change in their address, name, bank details, ECS Mandates, nominations, Power of Attorney etc. to the Company's Registrar and Transfer Agent (RTA), Cameo Corporate Services Limited, Subramanian Building, No. 1 Club House, Road, Chennai-600 002 (kandhimathi@cameoindia.com). Kindly quote the ledger folio number in all your correspondence. For updation of the Bank Account details / mandate, kindly send the scan copy of a signed request letter mentioning therein the name, folio number, Bank Account details, self-attested copy of PAN Card and a cancelled cheque leaf with pre-printed name of the Member (first shareholder) of the Company, to the RTA.
 - b. Members holding shares in dematerialized form are requested to register or intimate any change in their address, name, bank details, ECS mandates, nominations, Power of Attorney etc. to their respective Depository Participants (DPs) only. Kindly quote client ID and DP ID numbers in all your correspondence.
 - c. In the cases where the ECS mandates of the Members are not available to enable the payment of Dividend electronically, the Dividend warrant/cheques shall be dispatched only upon resumption and normalization of the postal services.
5. Members are requested to address all correspondence, including dividend-related correspondence, to the Registrar and Share Transfer Agents, M/s. CAMEO CORPORATE SERVICES LIMITED, Subramanian Building, No 1, Club House Road, Chennai – 600002 or to the Company at its Registered Office at Trident Towers, 4th Floor, No. 23, 100 Feet Road, Jayanagar II Block, Bengaluru-560011.
 6. The 28th Annual Report along with Notice of the AGM including general guidelines for participation at the 28th AGM through VC/OAVM, procedure for remote e-voting including during the AGM, is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depository. The same has also been uploaded on the website of the Company, i.e. www.naturalcapsules.com. To support the 'Green Initiative' and in accordance with the MCA Circulars and SEBI Circular, copy of the Annual Report is being sent only through emails to the Members of the Company. Members who have not registered their e-mail addresses are requested to register the same with the Company or with the R&T Agent / respective Depository Participant(s).
 7. Corporate Members intending to attend the meeting through VC/OAVM are requested to send a scanned copy of the certified true copy of Board Resolution / Power of Attorney from the Corporate Member's registered email address authorizing their representatives to attend the AGM on their behalf, at the email ID, company.sec@naturalcapsules.com. Further, the Corporate Members are requested to also state the Client ID/DP ID in which the Company's shares are held.
 8. Members holding shares in physical form can avail the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and rules made thereunder, with the Company. Members holding shares in demat form may contact their respective Depository Participant(s) for availing this facility.
 9. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited (NSDL) and instructions for e-voting are given herein below. A resolution passed by members through e-voting is/are deemed to have been passed as if they've been passed at the AGM.
 10. Members may also note that the Notice of the **28th AGM** of Natural Capsules Limited and the Annual Report 2020-21 will be available on the Company's website: www.naturalcapsules.com
 11. Additional information, as per SEBI (LODR) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules framed thereunder.
 12. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository participant(s). Members holding shares in physical form are required to submit their PAN details to the company's Registrar and Transfer Agent. As per Regulation 40 of SEBI listing Regulations (as amended), request for effecting transfer of securities, except in case of transposition or transmission of securities shall not be processed effective from April 1, 2019 unless the securities are held in dematerialized form. Hence, the Members holding equity shares of the Company in physical form are

requested to take action to dematerialize the same promptly.

13. The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the Company has already paid the annual listing fees for the Financial Year 2021-22 to BSE as well as custodian fees to the National Securities Depository Limited and Central Depository Services (India) Limited within the prescribed time.
14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection during the AGM electronically.
15. All the relevant documents referred in this Notice shall be available for inspection by the Members upto the date of 28th Annual General Meeting electronically and the Member(s) may send a request for inspection of documents to the Company Secretary (Email ID: company.sec@naturalcapsules.com) and mention the details of Folio No. or Client ID/DP ID wherein the shares of the Company are held by the Member(s).
16. Members may note that pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/TCPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/ 15H, to avail the benefit of non-deduction of tax at source by email to company.sec@naturalcapsules.com by 11:59 p.m. IST on July 7, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email company.sec@naturalcapsules.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 7, 2021.

17. General instructions for accessing or participating at the 28th AGM through Electronic Means (VC/OAVM)
 - i. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
 - ii. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
 - iii. The members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
 - iv. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 - v. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars

issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.

- vi. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.naturalcapsules.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and www.nseindia.com and AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- vii. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 12th July, 2021 at 10:00 A.M. and ends on 14th July, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 07th July, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 07th July, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at