

76th ANNUAL
REPORT | 2021-2022

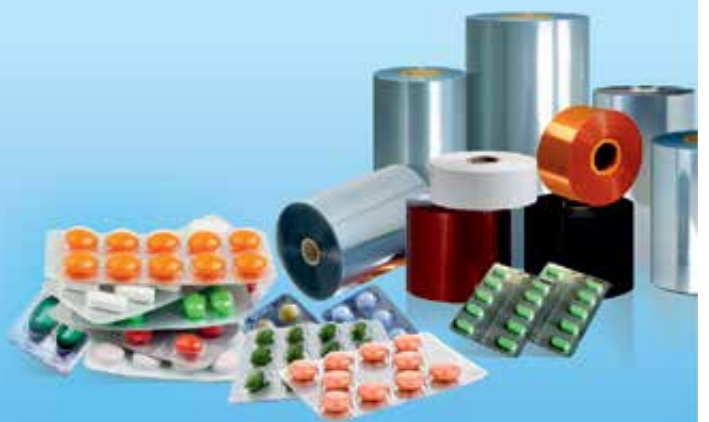


Good health in small packs.



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. 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 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	

Name the Director	Name of Listed entity(s) where he/she is a Director	Category
Mr. Siddharth S Shetye	None	NA
Mr. Nitin K Joshi	None	NA
Mr. Narendra Lodha	None	NA
Mr. Chandrashekhar Joglekar	None	NA

*Held office till March 29, 2022

(c) Profile of Directors:

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

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

During the year ended March 31, 2022, Five (5) Board Meetings were held on April 26, 2021, June 25, 2021, August 06, 2021, November 09, 2021 and February 10, 2022.

Attendance at above Board Meetings and at last Annual General Meeting (AGM) held on September 28, 2021 is as under:

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Mrs. Ankita J. Kariya	5	YES
Mr. Robin Banerjee	5	YES
Mr. Bhoumick S. Vaidya	5	NO
Ms. Anjali Seth*	3	NO
Mr. Siddharth S Shetye	5	YES
Mr. Nitin K Joshi	5	NO
Mr. Narendra Lodha	5	YES
Mr. Chandrashekhar Joglekar	5	NO

* Held office till March 29, 2022

Shareholding of Non-Executive Directors as on March 31, 2022 is as under:

Name of the Director	No. of Shares
Mrs. Ankita J. Kariya	—
Mr. Bhoumick S. Vaidya	—
Ms. Anjali Seth*	—
Mr. Siddharth S Shetye	—
Mr. Nitin K Joshi	—
Mr. Narendra Lodha	—
Mr. Chandrashekhar Joglekar	—

* Held office till March 29, 2022

(e) Code of Conduct:

The Board of Directors has laid down a Code of Conduct for Business and Ethics for all the Board Members, and all the Senior Management employees of the Company. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code has been put on the Company's website at the link:

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

A declaration signed by Managing Director is published in this report.

(f) Meeting of Independent Directors and Declaration of Independence:

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 meeting was attended by Mr. Bhoumick S Vaidya, Mr. Nitin K. Joshi and Mr. Siddharth S. Shetye. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views.

3. Committees of the Board

A. Audit Committee:

Composition and Attendance at the Meeting:

During the year ended March 31, 2022 4 (four) Audit Committee Meetings were held on June 23, 2020, August 06, 2021, November 09, 2021 and February 10, 2022. The details of the Committee are as under:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Siddharth S Shetye	Chairman	Independent Non-Executive	4
Mr. Bhoumick S Vaidya	Member	Independent Non-Executive	4
Mr. Narendra Lodha	Member	Non-Executive	4

The terms of reference, role and scope are in line with those prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

Mr. Pritam Paul, the Company Secretary, acts as the Secretary to the Committee.

B. Nomination and Remuneration Committee:

Composition and Attendance at the Meeting:

During the year ended 31 March, 2022, 2 (Two) meeting was held on April 26, 2021 and June 25, 2021. The details of the Committee are as under:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Nitin K Joshi	Chairman	Independent Non-Executive	2
Mr. Bhoumick S Vaidya	Member	Independent Non-Executive	2
Mr. Narendra Lodha	Member	Non-Executive	2

The terms of reference, role and scope are in line with those prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

REMUNERATION POLICY

The Company follows a policy on remuneration of Directors and Senior Management Employees.

Remuneration to Non-Executive Directors:

All Non-Executive Directors shall be paid sitting fees for participation in the Board/Committee Meetings as approved by the Board of Directors within the limits prescribed under the Companies Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration of Managing Director & CEO:

At the time of appointment or re-appointment, the Managing Director & CEO shall be paid such remuneration as may be mutually agreed between the Company (which includes Nomination & Remuneration Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under Companies Act.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the Managing Director & CEO is broadly divided into fixed and variable component. The fixed compensation shall be salary, allowances, perquisites, amenities and retirement benefits. The variable component shall comprise of performance linked incentives based on the EBITDA and other parameters targets as set by the Board.

The Company decides revisions in the remuneration of the Managing Director from time to time, as it deems fit.

The details of remuneration of Mr. Robin Banerjee, Managing Director during F.Y. 2021-22 is as under:

Sl. No.	Particulars	Rs. in lakhs
1	Gross Salary including perquisites	115.75
2	Company's contribution to Provident & Other Fund	8.28
3	Performance Linked Incentives [for F.Y. March 31, 2022]	37.50
	TOTAL	161.53

The above figures exclude provision for gratuity and leave encashment which are actuarially determined on an overall Company basis.

The details of performance linked incentives to be paid to the Managing Director for F.Y. 2020-21 is as under:

Sl. No.	Particulars	Rs. in lakhs
1	Total Performance Linked Incentives	37.50
	Paid during the year	37.50
	Balance to be paid	Nil

The Balance performance linked incentives pertaining to F.Y. 2019-20 amounting to Rs. 17.50 lakhs yet to be paid and is under Board consideration.

The details of Directors sitting fees paid to Non-Executive Directors during the period April 01, 2021 to March 31, 2022 are given below:

Name of the Director	Rs. in lakhs
Mrs. Ankita J. Kariya	2.50
Mr. Bhounick S. Vaidya	4.25
Ms. Anjali Seth*	1.50
Mr. Siddharth S. Shetye	3.50
Mr. Nitin K. Joshi	3.00
Mr. Narendra S. Lodha	4.00
Mr. Chandrashekhar Joglekar	2.50
TOTAL	21.25

* Held office till March 29, 2022

Remuneration of Senior Management Employees:

The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, Company's performance vis-à-vis the annual budget achievement and individual performance.

The Managing Director & CEO carries out individual performance review based on KRA's and other appraisal parameters and after taking into account the appraisal score, recommends to Nomination and Remuneration Committee revision in remuneration, if any.

Based on recommendation of the Managing Director, Nomination and Remuneration Committee reviews any revision in remuneration in respect of following Senior Management Employees and recommend the same to the Board:

1. CFO & Company Secretary
2. All India Sales & Marketing Head
3. Plant Head – Nasik
4. Plant Head and Group R&D Head – Thane

The remuneration of above category employees is divided into two components viz., (i) **fixed component** comprising of salary, allowances, perquisites, amenities, and retirement benefits (ii) **variable component** comprising of performance based incentives and rewards.

C. Stakeholders Relationship Committee:

Composition and Attendance at the Meeting:

During the year ended March 31, 2022 one meeting was held on February 10, 2022. The details of the Committee are as under:

Name of the Director	Designation	Category	No. of Meetings Attended
Mr. Bhoumick S Vaidya	Chairman	Independent Non-Executive	1
Mr. Robin Banerjee	Member	Executive	1
Ms. Anjali Seth*	Member	Independent Non-Executive	—

*Held office till March 29, 2022

The Committee oversees redressal of shareholders and Investor grievances/ complaints. Mr. Pritam Paul, CFO & Company Secretary is the Compliance Officer of the Company.

The Company is prompt in attending to complaints/queries from Shareholders/ Investors. The total number of complaints received and attended during the period April 01, 2021 to March 31, 2022 are 2 (Two). The number of complaints received from SEBI and resolved is 1 (one). No transfer(s) were pending as on March 31, 2022.

D. CSR Committee:

The CSR committee comprises of Mr. Bhoumick S Vaidya, Ms. Anjali Seth (held office till March 29, 2022) and Mr. Robin Banerjee, as members of the Committee. The CSR committee have formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the list of activities to be undertaken by the Company and the same has been approved by the Board.

During the year, the Company carried out its CSR activities (including ongoing projects) at the following educational institutions and Trust: -

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

The Company also selectively contributes to the deserving Charitable Trust(s) from time to time.

4. General Body Meetings

The date and time of Annual General Meetings held during the preceding three years, and the details of special resolution(s) passed thereat, are as follows:

Financial year ended	Date	Time	Venue	Special Resolutions passed
2021	28th September 2021	11:00 a.m.	VC or OAVM*	Special Resolution for approving the re-appointment of Mr. Robin Banerjee as Managing Director of the Company for a period of one (1) years starting from April 29, 2021 till April 28, 2022 and payment of remuneration to him for the said period.
2020	30th September 2020	1:00 p.m.	VC or OAVM*	Insertion of new Object Clause in Memorandum of Association (“MOA”) of the Company.
2019	20th September 2019	11:00 a.m.	Sunville Banquets, Worli, Mumbai – 400018	- Approving of re-appointment of following independent Directors for a further tenure of 5 years viz. - Ms. Anjali Seth - Mr. Bhounick Vaidya - Mr. K.V. Mani - Mr. Siddharth Shetye - Mr. Nitin Joshi - To authorise the Board of Directors to restructure the terms of repayment of outstanding dues towards ICD, Interest accrued on ICD’s and Supplies made for related party transactions.

* Video Conferencing (VC) and Other Audio Visual Means (OAVM).

5. Disclosures

- Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:

The Company has an agreement with Kalpataru Ltd (KL) (formerly known as Kalpataru Homes Limited) whereby KL has underwritten the amount to be realized by the Company from the disposal of its non-core assets. Mr. Mofatraj P. Munot is a Director of KL. The performance of KL under this agreement has been guaranteed amongst others by Mr. Mofatraj P. Munot, Director of KL. Any enforcement action that the Company might be required to adopt in respect of the aforesaid agreement or the performance guarantee will potentially result in a conflict of interest between the Company and Mr. Mofatraj P. Munot who is one of the Promoter of the Company.

The Company in the past had entered into various transactions from time to time with Bilcare Ltd such as sale and purchase of goods, job work and placement of Inter-Corporate Deposit (ICD). The principal outstanding of ICD stands re-paid as on March 31, 2022. The total amount outstanding as at the year end on account of these transactions aggregates to Rs. 247.61 lakhs. Any action that the Company might be required to adopt in respect of the aforesaid transactions will potentially result in conflict of interest between the Company and Mrs. Ankita J. Kariya, Director of the Company as she is the daughter of Mr. Mohan H. Bhandari, who is the Promoter Director of Bilcare Ltd.

A petition has been filed before the National Company Law Tribunal, Mumbai Bench by K.C. Holdings Pvt. Ltd & Others against the Company & Others for seeking relief under section 241 to 244 of Companies Act, 2013. The said matter is under settlement between the parties, pending for further disposal before the Tribunal.

- Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital markets, during the last three years:

Financial Year 2021-22:

Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018:

There was delay in submission of Reconciliation of Share Capital Audit Report for quarter ended June 2021 (date of submission August 09, 2021, The due date for the same was July 30, 2021) owing to some medical emergency arising due to ongoing Covid Pandemic. The Company paid the requisite penalty to BSE Ltd and have also made application to BSE Ltd for refund of the same.

Financial Year 2020-21:

Regulation 29(2) of the SEBI (LODR) Regulations, 2015:

There was delay in filing intimation regarding notice of Board Meeting held on November 09, 2020 (date of intimation November 05, 2019) owing to some medical emergency arising due to ongoing Covid Pandemic. The Company paid the requisite penalty to BSE Ltd and have also made application to BSE Ltd for refund of the same.

Financial Year 2019-20: NIL

• **CEO/CFO Certification:**

A Certification from the CEO and CFO in terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board Meeting held on May 12, 2022 in connection with the Audited Annual Accounts for the year ended March 31, 2021.

6. Whistle Blower Policy:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a vigil mechanism and whistle blower policy under which employees are free to report violations of applicable laws and regulations and the Code of conduct. Employees may also report to the Chairman of the Audit Committee.

7. Means of Communication

Half-yearly report sent to each household of shareholders	:	No, the results of the Company are published in Newspapers.
Quarterly results	:	– do –
Any website, where displayed	:	Yes, on Company's website www.caprihansindia.com
Presentations made to institutional Investors or to the analysts	:	No
Newspapers in which results are normally published in	:	- The Free Press Journal (English) - Navashakti (Vernacular)
Whether MD&A is a part of Annual Report or not	:	Yes, forms part of the Director's Report.

8. Statutory Auditor Fees

The details of Statutory fees to the Statutory Auditory during the F.Y. 2021-22 are provided in the Note No 27 to the notes on financial statements

9. General Shareholder Information

- Financial Calendar** :
- (a) April 01, 2022 to March 31, 2023
 - (b) Q1 Results by mid of August 2022
 - (c) Q2 Results by mid of November 2022
 - (d) Q3 Results by mid of February 2023
 - (e) Q4 & F.Y. 2022-23 Results by end May, 2023

Corporate Identity Number (CIN) : L29150MH1946PLC004877

Listing on Stock Exchange : BSE Ltd.

The Company has paid the applicable listing fee.

Stock Code

BSE (Physical form) : 9486
BSE (Demat form) : 509486
ISIN number for NSDL/CDSL : INE479A01018

Listing Fee: The Company has paid the applicable listing fees to BSE Limited, where the Company's shares are listed.

Market Price Data: High/Low during each month in the last 12 months (i.e. from April 04, 2021 to March 31, 2022) and performance in comparison to BSE Sensex.

Paid up value - Rs. 10/- per Share

Month	Share Price of Caprihans		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
2021				
Apr	101	76	50376	47205
May	136	92	52013	48028
June	180	112	53127	51451
July	179	155	53291	51803
Aug	174	122	57625	52804
Sep	151	129	60412	57264
Oct	152	132	62245	58551
Nov	153	121	61037	56383
Dec	140	115	59203	55133
2022				
Jan	145	122	61475	56410
Feb	139	110	59619	54383
Mar	131	111	58891	52261

Name and Address of the Registrar & Transfer Agents:

Link Intime India Pvt Ltd

C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060

Share Transfer System

Messrs. Link Intime India Pvt Ltd is the Common agency (Registrar & Transfer Agents) for both physical and electronic mode of transfer of shares. The share held in physical mode can be lodged at the above mentioned address for transfer. The Share Transfer Committee of the Company approves the transfer of shares and share certificates are dispatched within the stipulated time, if the documents are complete in all respects.

Distribution of Shareholding as on 31st March, 2022

Range	No. of Shareholders	% of Total	No. of Shares held	% of Total
1 – 500	7269	91.09	767869	5.85
501 – 1000	349	4.37	286464	2.18
1001 – 2000	167	2.09	248078	1.89
2001 – 3000	57	0.71	141705	1.08
3001 – 4000	26	0.33	90775	0.69
4001 – 5000	25	0.31	118027	0.90
5001 – 10000	37	0.46	274942	2.09
Over 10000	50	0.63	1120611	85.32
TOTAL	7980	100.00	13133971	100.00

Shareholding pattern as on 31st March, 2022

Sl No	Type of shareholders	No. of shares held	% of Total
1	Promoters		
	Foreign	66,98,325	51.00
	Indian	27,13,430	20.66
2	Financial Institutions, Insurance Companies & Banks	350	0.10
3	Mutual fund/s	1,816	0.10
4	Non-resident Indians	34,005	0.26
5	Domestic Companies	37,54,55	2.86
6	Individuals/HUF/Trusts/Others	32,20,512	24.52
7	IEPF	90,078	0.69
	TOTAL	1,31,33,971	100.00

Dematerialisation of shares and liquidity

As directed by SEBI, Company's shares are traded compulsorily in dematerialised form from August 28, 2000. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Service India Limited (CDSL) for this purpose. As of March 31, 2021 a total of 1,29,62,966 shares of the Company, which forms 98.7% of the share capital of the Company stand dematerialised.

Your Company's shares are liquid and actively traded on BSE.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments

Plant Locations

- | | |
|--|---|
| 1. Plot Nos C-13/16,
Road No 16/T,
Wagle Industrial Estate,
Thane - 400 604,
Maharashtra | 2. Plot Nos 76/77,
MIDC Industrial Estate,
Trimbak Road, Satpur,
Nasik - 422 007,
Maharashtra |
|--|---|

Address for correspondence

: CAPRIHANS INDIA LIMITED
Block - D, Shivsagar Estate,
Dr. Annie Besant Road,
Worli, Mumbai 400 018, Maharashtra
Tel.: +91 22 24978660/61

10. Unpaid/Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, an amount of Rs. 2,12,583/- of unpaid / unclaimed dividends of the F.Y. 2013-14 were transferred during the year to the Investor Education and Protection Fund

11. List of Core of Skills/Expertise/Competence identified by Board as required in context of its Business

Skills/expertise/competence	Whether available with the Board or not?
Manufacturing Industry knowledge	Yes. Available with Mrs. Ankita J. Kariya and Mr. Robin Banerjee
Technical ability in interpreting financial information	Yes. Available with Mrs. Ankita J. Kariya, Mr. Robin Banerjee, Mr. Siddharth Shetye, Mr. Narendra Lodha and Mr. Chandrashekhar Joglekar.
Behavioral Competencies	Yes. Available with all Directors
Human Resources Abilities	Yes. Available with all Directors
Business Strategy	Yes. Available with all Directors
Legal Expertise	Yes. Available with Ms. Anjali Seth*, Mr. Bhoumick Vaidya and Mr. Nitin Joshi

* Held office till March 29, 2022

12. Non-Mandatory Requirements

The Company at present has not adopted the Non-Mandatory requirements in regard to maintenance of Non-Executive Chairman's office, and sending half-yearly financial performance to the shareholders to their residence. Postal ballots as may be required under the Companies Act, if any, will be followed from time to time.

Certificate of Compliance with The Code of Conduct

As provided under Regulation 17(8) of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time with the Stock Exchange, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2022.

For CAPRIHANS INDIA LIMITED

Place : Mumbai
Date : 12th May, 2022

ROBIN BANERJEE
Managing Director

Auditors' Certificate on Corporate Governance

To,
The Members
Caprihans India Limited
Block D, Shivsagar Estate, Dr. Annie Besant Road
Worli, Mumbai 400018

We have examined the compliance of conditions of Corporate Governance by Caprihans India Limited (the Company) for the year ended on March 31, 2022, as stipulated under Regulation 15 (2) read with Schedule V Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DVD & ASSOCIATES
Company Secretaries

Devendra Deshpande
Proprietor

FCS No. 6099 CP No. 6515

PR No. 1164/2021

UDIN: F006099D000307092

Place : Pune
Date : 12th May, 2022

**Certificate Under Regulation 34(3) and Schedule V Para C Clause (10) (I) of
the Securities and Exchange Board of India (Listing Obligations and Disclosure
Requirements) Regulations, 2015**

To,
Caprihans India Limited,
Shivsagar Estate, Block D,
Dr. Annie Besant Road, Worli, Mumbai – 400 018.

In my opinion and to the best of my information, verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) and according to our examination of the relevant records and information provided by M/s. CAPRIHANS INDIA LIMITED ('the Company') having CIN L29150MH1946PLC004877 and based on representation made by the Management of the Company the purpose of issuing a Certificate as per Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the LODR Regulations') read with Part C of Schedule V of the LODR Regulations, I hereby certify that NONE of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority.

Sr. No	Name of the Director	DIN
1	Robin Banerjee	00008893
2	Narendra Kumar Lodha	00318630
3	Bhoumick Shailesh Vaidya	06543492
4	Nitin Kamlakar Joshi	06814444
5	Siddharth Shyam Shetye	06943119
6	Chandrashekhar Gopal Joglekar	07265143
7	Ankita Jayesh Kariya	08292735

Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mayank Arora & Co.
Company Secretaries
(ICSI Unique Code S2014MH267200)

Place : Mumbai
Date : 13th May, 2022

Mayank Arora
(Proprietor)
Membership No: F10378
COP No: 13609
UDIN: F010378D00315023
PR No: 679/2020

Annexure II A

Details of Directors seeking appointment/ re-appointment at the forth coming Annual General Meeting

Name of the Director	Mr. Chandrashekhar Joglekar	Mr. Tanuj Lodha	Mr. Robin Banerjee
DIN	07265143	06874388	00008893
Date of Birth	3rd February, 1967	04th November, 1979	August 20, 1955
Date of first appointment	20th September, 2019	03rd May, 2022	March 28, 2013
Qualifications	Chartered Account	Advocate	M.Com, ACA, AICWA, ACS
Expertise in specific functional areas and experience	Shri Chandrashekhar Gopal Joglekar is the Director (Finance) and Chief Financial Officer with Kalpataru Limited (“the Company”) and has been associated with the Company since 23rd September, 2004. He is a Chartered Accountant and a Certified Information Systems Auditor from Information Systems Audit and Control Association, USA. He is responsible for the Finance & Account portfolio of the Company. His initiatives at budgeting and cost reduction have created good discipline in the Company. He has been responsible for handling entire debt portfolio of Real Estate Arm of Kalpataru Group. Prior to joining the Company, he had been associated with Fem Care Pharma Limited, Mumbai. He has rich experience of working in Real Estate industry for over 24 years and overall experience of around three decades.	Mr. Tanuj Lodha aged 42, is an Advocate by profession and is a Senior Partner at Lodha & Lodha Advocates. Mr. Lodha is a Bachelor of Law (LLB), Chartered Accountant, MBA finance & marketing from the Indian School of Business. Mr. Lodha specializes in commercial laws including Arbitration, IBC, Real Estate & Company Laws. Mr. Lodha has represented several Corporates and other Persons in important matters and has appeared in several reported judgements. Mr. Lodha is an avid Golfer and actively participates in charitable causes.	Mr. Robin Banerjee is a qualified Chartered Accountant, Cost Accountant and Company Secretary. He became a Director of the Company on March 28, 2013 and Managing Director effective from April 29, 2013. He has over 40 years of professional experience in the Corporate Management, including strategic planning, mergers & acquisitions, corporate finance and strategic business development.
Directorships held in other Companies (Excluding Private Companies)	None	None	VIP Clothing Limited Rossari Biotech Limited IMICL Dighi Maritime Limited

Name of the Director	Mr. Chandrashekhar Joglekar	Mr. Tanuj Lodha	Mr. Robin Banerjee
Committee positions held in other companies	None	None	Audit Committee
			VIP Clothing Limited Rossari Biotech Limited IMICL Dighi Maritime Limited
			Nomination and Remuneration Committee
			VIP Clothing Limited Rossari Biotech Limited IMICL Dighi Maritime Limited
			Stakeholders Relationship Committee
			VIP Clothing Limited
			Risk Management Committee
			Rossari Biotech Limited
Number of Equity shares held in the Company	Nil	Nil	Nil

Annexure III to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Caprihans is the oldest and one of the largest manufacturers of Rigid and Flexible PVC Films in India. The Company is a dominant player in pharma/non pharma packaging films space in India, maintaining high quality products. The Company operates from its two plants located at Nashik and Thane, Maharashtra. Both the plants have In-House Research and Development Centres recognised by the department of Scientific and Industrial Research (DSIR, Government of India). The Company also has sales offices across India. Caprihans is BSE (Bombay Stock Exchange) listed entity manufacturing PVC Films in India. The overall industry comprise players from both organised and un-organised sector.

The Company is engaged in the processing of plastic polymers and manufactures PVC Films by calendaring process. It also produces PVDC coated Rigid PVC film and certain other plastic products through extrusion processes. Rigid PVC film is largely used for packaging in the Pharmaceutical, Food and FMCG industries. Flexible PVC film and plastic extruded products are used for a variety of industrial and consumer applications. Overall growth rate of the domestic market segment is estimated to be around 7 to 8% annually under normal business environment.

The Company has significant share of the Rigid PVC film market and is a quality leader in the Flexible PVC film market.

OPPORTUNITIES, THREATS AND OUTLOOK

The Business environment globally had to bear the severe impact of COVID – 19 pandemic second wave disrupting the demand supply situation causing unprecedented inflation in sourcing cost. This situation was further fueled by global logistic disruptions in shipping industry impacting unavailability of vessels and containers, high freight cost, longer lead time in raw material availability and thus resulting in higher working capital deployment. Packaging Industries are not an exception to it. Company's business for pharma and other essential items packaging is largely unaffected. Company was able to sustain its previous year volume without any growth. PVC Resin manufactures continued to experience shortage of key raw materials globally due to shut down of major EDC (Ethyl Dichloride) and VCM (Vinyl Chloride Monomer) plants affecting consistent Resin supplies. The same situation was also witnessed for other key raw materials like stabilizers, modifiers etc.

Though the Company is a major player for over decades, it faces competition in domestic market, as similar products being made available by many local players primarily belonging to unorganised sector. However, Company always remained as a preferred vendor in the respective segments being a quality, better yield and consistent supplier.

The Company strongly believes that maintaining focus on R&D, consistent quality, superior customer service, timely delivery and appropriate pricing will help to remain as a market leader.

SEGMENT PERFORMANCE

Company's business is covered under single business segment.

RISKS AND CONCERNS

PVC resin, used as key raw material has many industrial competing applications. Resin is a by-product of Petroleum. Given the volatility in Global crude oil price and demand for polymers for competing applications, the pressure on the input costs can be expected to fluctuate. Demand for PVC resin in the country has been increasing every year. We estimate overall domestic supply of PVC resin is in the range of ~150 Kta p.a., and demand is ~300 Kta p.a. Hence, imports are made to fulfil resin requirements which is subjected to fluctuating prices, forex risks, logistics issues, import-duty and anti dumping regulations.

As the COVID – 19 pandemic situation continues, the Company foresees risk of recoverability of dues from some of its customers. However the Company will take appropriate steps (including legal recourse) for recovering of its dues from Customer in case of default.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company has proper and adequate internal control systems to ensure that its assets are safeguarded and that transactions are properly authorised, reported and recorded. The Company has also a system of internal audit and management reviews to ensure compliance with the prescribed procedures and authority levels.

FINANCIAL PERFORMANCE

The Company's operating revenue for the year amounted to Rs. 393 crores, as compared to Rs. 297 crores in the previous year. The increase in revenue is primarily due to increase in raw material prices and consequential increase in the end product pricing. The Company earned a profit before tax of Rs. 23 crores as compared to Rs. 26 crores in the previous year due to higher margins.

The raw material prices continued to be volatile during the financial year. This resulted in margin fluctuations from time to time.

Company's Financial position for ten (10) years is appended separately in the Annual Report.

HUMAN RESOURCES

The Company appreciates continued efforts of its dedicated team of employees for maintaining high ethical standards. Industrial relations by and large remained cordial during the year. The number of employees on the roll as on March 31, 2022 was 342 across all locations. The Company accords very high priority to safety in all aspects of its operations. The employees are trained in various aspects of safety.

KEY CHANGE IN FINANCIAL RATIOS AND RETURN ON NET WORTH

The Return on Net Worth in the current financial year is 9.6% as compared to 12.9% in the previous financial year.

CAUTIONARY STATEMENT –

Statements in the Management Discussion and Analysis describing Company's objectives, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect Company's operations include significant change in political and economic environment in India or key markets abroad, tax laws, environmental laws, litigations, labour relations, exchange rate fluctuation, interest and other costs.

ANNEXURE – IV to the Directors Report

Corporate Social Responsibility (CSR) Report:

1.	A brief outline of the Company's CSR Policy, including overview projects or programs proposed to be undertaken and a reference to the Web-link to the CSR Policy and projects or programs.	The CSR activities are generally carried out directly by the Company by identifying activities. The Company has formed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Companies website : <u>www.caprihans.india.com/Policy</u>
2.	The Composition of the CSR Committee as on 31.03.2022	1. Mr. Bhoumick S Vaidya - Chairman 2. Mr. Robin Banerjee - Member 3. Ms. Anjali Seth - Member (held office till March 29, 2022)
3.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)	Not Applicable
4.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	None
5.	Average net profit of the company for the preceding three financial year (Amount in Rs. Lakhs)*	Rs. 1419.09 lakhs
6.	Prescribed CSR expenditure (a) Two percent of average net profit of the company as per section 135(5) (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. (c) Amount required to be set off for the financial year, if any (d) Previous year unsend amount Total CSR obligation for the FY (a+b-c)	Rs. 28.38 lakhs Nil Nil Rs. 12.05 lakhs Rs. 40.43 lacs

7.	Details of CSR spent during the financial year (1) Amount spent during F.Y. 2021-22 (2) Amount unspent, if any as on 31.03.2021 (3) Amount transferred to unspent CSR Account and date of transfer	Rs. 26.41 lakhs Rs. 14.02 lakhs Rs. 14.02 lacs on March 22, 2022
8.	Details of CSR amount spent against ongoing projects for the financial year	Nil
9.	Manner in which the amount spent during the financial year other than ongoing projects:	<u>Dharmveer Anand Dighe Jidd Special School, Thane</u> The Company helped to set up a modern 'sensory garden' which aids the handicapped and mentally challenged children to familiarise and learn the five human senses namely: sight, hearing, smell, taste and touch. The Company takes care of expenditure related to the maintenance of this garden. The Company pays for special physio and speech therapists at the school. The company also provides specialised medical equipments to the affected children. <u>Daang Seva Mandal Ashram School, Nasik</u> The Company constructed extension of boys hostel during F.Y. 2021-22. This residential ashram school was closed during last 2 financial years and has again re-opened recently. The Company will continue to focus on the needs of the school and providing better infrastructure and other essential needs of the students during F.Y. 2022-23.
10.	Reasons for CSR Amount unspent	There are ongoing projects on which the CSR amount were supposed to be spent but since the above mentioned schools were closed owing to lockdown, the Company could not spend the amount of CSR and the balance unspent amount has been transferred to separte unspent CSR account.

Annexure V to the Directors' Report

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Caprihans India Limited

Block D Shivsagar Estate,
Dr Annie Besant Road, Worli,
Mumbai - 400018

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by M/s. Caprihans India Limited (hereinafter called "the Company").

The Secretarial Audit was conducted for the period from 1st April 2021 to 31st March 2022, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of the following list of laws and regulations with our observations on the same:

- (i) **The Companies Act, 2013 (the Act) and the Rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies other observed by us during the period under review.
- (ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:** The Company has complied with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA').
- (iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:** The Company is a listed public company the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the period under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable for the period under review);
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not applicable for the period under review);
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable for the period under review);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable for the period under review); and
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable for the period under review);

The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

I further report that, as per the opinion of the officers of the Company and information provided by them there are no specific applicable laws on the basis of activities of the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period under review.
- (ii) The Listing Agreement entered into by the Company with BSE Limited, Mumbai in respect of Shares issued by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for the delay filing of Reconciliation of Share Capital Audit Report for the quarter ended on 30.06.2021.

During the period under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above.

We further report that: -

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors as required by Section 149 of the Companies Act, 2013.

Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period the Company has passed a Special Resolution at Annual General Meeting for reappointment of Mr. Robin Banerjee as Managing Director and payment of remuneration to him for the said period for which necessary compliances has been completed by the Company.

We further report that, the Company had received a Letter dated 3rd July 2020 in respect of matter pertaining to Ultimate Holding Company, asking for certain information and documents. The said matter has no relevance with the Company. The Company has responded to the same from time to time. Since August 2020, no further communication was received.

There are no major decisions, specific events / actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For DVD & ASSOCIATES
Company Secretaries

Devendra Deshpande

Place : Pune
Date : 12th May 2022

FCS No.: 6099
CP No.: 6515
PR No.: 1164/2021
UDIN: F006099D000307059

‘Annexure A’

To,
The Members
Caprihans India Limited
Block D Shivsagar Estate,
Dr Annie Besant Road, Worli,
Mumbai - 400018

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DVD & ASSOCIATES
Company Secretaries

Devendra Deshpande

Place : Pune
Date : 12th May 2022

FCS No.: 6099
CP No.: 6515
PR No.: 1164/2021
UDIN: F006099D000307059

Financial Position at a Glance

(Rupees in lakhs)

	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
WE OWNED										
Fixed Assets	1968.46	1726.49	1613.42	1765.78	1707.57	1909.54	2157.54	1998.60	2006.75	2025.82
Investments	—	—	—	—	—	—	—	—	—	—
Inventories	2788.41	3666.79	2749.63	3769.20	3584.67	3928.18	3693.42	5474.40	5646.71	8018.11
Receivables	6303.34	5736.25	6061.60	5259.73	5261.32	6373.33	7335.33	6879.25	7660.97	11985.85
Liquid Funds	1747.69	2076.38	3106.04	3766.88	3244.84	2683.36	1878.59	2745.28	3782.31	3094.67
Advances	1223.45	1302.00	1531.27	1784.85	1763.19	1477.61	1257.72	1161.72	1289.37	1362.34
	14031.35	14507.91	15061.96	16346.44	15561.59	16372.02	16322.60	18259.25	20386.11	26486.78
WE OWED										
Institutional Loans	—	—	—	—	—	—	—	—	—	—
Other Loans	—	—	—	—	—	—	—	—	—	—
Payable & Provisions	3224.04	3405.68	3518.29	4387.30	2811.32	3434.26	3256.71	4405.79	4490.52	8901.96
Dividend & Tax	230.49	230.49	237.12	237.12	237.12	237.51	118.75	—	—	—
	3454.53	3636.17	3755.41	4624.42	3048.44	3671.77	3375.46	4405.79	4490.52	8901.96
NET WORTH										
Share Capital	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40
Reserves & Surplus	9263.42	9558.34	9993.15	10408.82	11436.87	11624.36	11752.49	12540.06	14582.19	16271.42
Dividend & Tax - Proposed	—	—	—	—	(237.12)	(237.51)	(118.75)	—	—	—
	10576.82	10871.74	11306.55	11722.22	12513.15	12700.25	12947.14	13853.46	15895.59	17584.82
	14031.35	14507.91	15061.96	16346.64	15561.59	16372.02	16322.60	18259.25	20386.11	26486.78
What We Earned and Spent										
EARNINGS	24518.59	27210.58	27612.55	26765.46	25949.32	25799.23	27245.70	29435.75	30436.50	39726.46
OUTGOINGS:										
Materials	15252.57	17532.01	17245.08	15618.33	15707.16	17032.98	19118.74	19491.95	19641.89	29622.28
Excise	2145.41	2373.96	2437.76	2343.68	2275.89	591.81	—	—	—	—
Expenses	5737.42	6140.94	6497.81	6718.95	6352.41	7236.27	7331.08	8382.50	7809.77	7508.78
Depreciation	420.12	353.26	344.67	352.68	342.88	338.01	335.25	379.92	361.99	318.27
Trf. From revaluation reserve	(76.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	23479.52	26400.17	26525.32	25033.64	24678.34	25199.07	26785.07	28254.37	27813.65	37449.33
Profit before extraordinary items & tax	1039.07	810.41	1087.23	1731.82	1270.98	600.16	460.63	1181.38	2622.85	2277.13
Extraordinary income/(expense)	—	—	—	(682.03)	223.06	—	—	—	—	—
Tax Provision	360.00	285.00	382.00	397.00	514.61	175.55	95	275.08	580.71	587.90
Net Profit	679.07	525.41	705.23	652.79	979.43	424.61	365.63	906.30	2042.14	1689.23
Dividend & Tax	230.49	230.49	237.12	237.12	237.12	237.51	118.75	0.00	0.00	0.00
	448.58	294.92	468.11	415.67	742.31	187.10	246.88	906.30	2042.14	1689.23

Independent Auditor's Report

TO THE MEMBERS OF
CAPRIHANS INDIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Caprihans India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 2.2(xi) of the Financial statements)	
Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, in accordance with the delivery terms agreed with the customer. The Company has a variety of delivery terms with customers which impact the timing of revenue recognition. Ascertainment of timing of revenue recognition is a key audit consideration for sales transactions occurring near to the year end.	Our audit procedures included the following: • Obtained understanding of the Company's process and design of the controls to recognize revenue in appropriate period and tested the operating effectiveness of the controls on a sample basis. • Read and assessed the Company's accounting policy for recognition of revenue to assess compliance with relevant Accounting Standards. • Performed following substantive procedures on a sample of revenue contracts entered by the Company: – Read and identified the distinct performance obligations – In these contracts and compared these performance obligations with those identified and recorded by the Company. – Read the terms of the contracts and tested the basis used by the management for recognition of revenue at a point of time as per the requirements of Ind AS 115. – Tested the basis used by the management to measure revenue recognised at a point in time as per the requirements of Ind AS 115. – Tested on a sample basis that revenue has been recognised in the appropriate accounting period.

Key audit matters	How our audit addressed the key audit matter
<u>Receivables from related parties</u> (as described in Note 33 of the Financial statements)	
The Company has significant outstanding receivables from related parties. These include: a. <u>Receivables from Kalpataru Limited (formerly known as Kalpataru Homes Limited)</u> The Company has outstanding receivables of Rs. 246.95 lakhs, pertaining to certain non-core assets which were underwritten by Kalpataru Limited. Specific performance of such underwriting by Kalpataru Limited has been guaranteed by Mr. Mofatraj P. Munot, Director of the Kalpataru Group Companies and by others. b. <u>Receivables from Bilcare Limited (the Ultimate Holding Company) ("Bilcare")</u> The Company has outstanding receivables of Rs. 247.61 lakhs, pertaining to trade receivables, inter corporate deposits and interest on inter corporate deposit. The above receivables are pertaining to transactions entered prior to 2015. Considering the age of these receivables from related parties, the above was determined as a key audit matter.	Our audit procedures included the following: • Read the documents underlying these transactions, to understand the contract and approval of the Board of Directors for transaction with Bilcare Limited. • Assessed and tested the management basis for making the provision against these receivables. • Read the documents relating to guarantee for receivables from Kalpataru Limited, to understand the terms of the Guarantee. • Traced the amounts as disclosed in these financial statements to the underlying books of account and to the confirmations. • Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate governance and shareholders information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on audit procedures performed, nothing has come to our attention that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.

For **Batliboi & Purohit**
Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta
Partner

Place: Mumbai
Date: May 13, 2022

Membership Number: 111749
ICAI UDIN: 22111749AIXIDW1472

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all items of Property, Plant and Equipment are verified once in every three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said programme, certain items of Property, Plant and Equipment were physically verified during the year and no material discrepancies were observed on such verification.
- (c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, capital work-in progress, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, with regards to the nature and size of its inventories, the coverage and procedure of such physical verification carried out during the year were appropriate. Discrepancies noted during such physical verification were less than 10% of respective inventory classes. All discrepancies noted during the year were properly dealt with in the books of account.
- (b) During the year, the Company had existing sanctioned working capital limits in excess of five crore rupees, in aggregate, from various banks on the basis of security of its current assets. The quarterly statements filed by the Company with such banks were in agreement with unaudited books of account of the Company as on respective quarter ended June 30, 2021, September 30, 2021 and December 31, 2021 and March 31, 2022.
- (iii) (a) During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Based on the information and explanation given to us, in respect of loans granted by the Company in the earlier year and remaining outstanding during the year the details are given below :

Particulars	Loans (Rs. in lakhs)
Aggregate amount outstanding at the Balance sheet date with respect to loans or advances or guarantees or securities to Subsidiaries, joint ventures and associates:	Nil
Balance outstanding as at Balance sheet date 31 March 2022 to any other parties: Related parties*	494.56

Note: *Gross amount of loans receivable from related parties without considering provision for expected credit loss of Rs. 247.61

- (b) In respect of loans outstanding during the year, in our opinion terms and conditions of the loan granted are, prima facie, not prejudicial to the Company's interest except in case of one party i.e. Kalpataru Limited where the terms of repayment of principal outstanding of Rs. 246.95 lakhs is not stipulated.
- (c) In respect of loans outstanding during the year, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally regular as per stipulation, except in case of one party i.e. Kalpataru Limited where the repayment of principal is not stipulated.

- (d) In our opinion in respect of loans outstanding, there is no overdue amount remaining outstanding as at balance sheet date. We are unable to comment on the overdue amounts in respect of loans where terms of repayment have not been stipulated.
- (e) In our opinion and on the basis of information and explanations given to us, no loans have fallen due during the year. Hence, reporting under clause 3 (iii) (e) is not applicable.
- (f) The Company has not granted any fresh loans or advances or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3 (iii) (f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or given guarantees in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Accordingly, reporting under paragraph (iv) of the Order is not applicable.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of PVC films and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed statutory dues referred above were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, outstanding dues of sales tax and income tax that have not been deposited by the Company on account of disputes are given below *:

Name of the statute	Nature of the dues	Amount (In Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty including penalty	119.62*	2004 to 2005	CESTAT
	Excise Duty	56.59	July 1992 to March 1996	Commissioner
	Excise Duty	32.47	April 2003 to January 2016	Assistant Commissioner
Finance Act, 1994	Service Tax	3.31	April 2005 to June 2013	Additional Commissioner

Note: *the amounts disclosed above are net of the payments made to the respective authorities where the dispute is pending.

- (viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not taken any loans from any lender during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.

- (d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, no funds have been raised on short term basis by the Company.
- (e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally) during the year.
- (xi) (a) According to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the year.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on the audit procedures performed by us, transactions with the related parties during the year were in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) does not have any Core Investment Company ('CIC') as part of the Group. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable.
- (xvii) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us and based on audit procedures performed by us, there are no unspent amounts towards Corporate Social Responsibility (CSR) which require a transfer to a fund specified in Schedule VII of the Companies Act in compliance with second proviso to sub section (5) of section 135 of the said Act. Accordingly reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.
- (xxi) This Report is issued on the standalone financial statements of the Company. Accordingly, paragraph 3(xxi) of the Order is not applicable.

For **Batliboi & Purohit**
Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta
Partner

Place: Mumbai
Date: May 13, 2022

Membership Number: 111749
ICAI UDIN: 22111749AIXIDW1472

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of Caprihans India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No.: 101048W

Place: Mumbai
Date: May 13, 2022

Kaushal Mehta
Partner
Membership Number: 111749
ICAI UDIN: 22111749AIXIDW1472

BALANCE SHEET AS AT 31 MARCH 2022

Particulars	Notes	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	1,852.98	1,836.56
(b) Capital work-in-progress	3	69.75	41.97
(c) Investment property	4	60.08	63.11
(d) Intangible assets	5	43.02	65.11
(e) Financial assets			
(i) Loans	6	2.29	4.88
(ii) Other financial assets	7	462.98	465.00
(f) Deferred tax assets (net)	29	316.15	383.43
(g) Income tax assets (net)	12	39.03	27.10
(h) Other non-current assets	8	91.06	90.12
Total non-current assets		2,937.34	2,977.28
II. Current assets			
(a) Inventories	9	8,018.11	5,646.71
(b) Financial assets			
(i) Trade receivables	10	11,985.85	7,660.97
(ii) Cash and cash equivalents	11	932.73	1,377.48
(iii) Bank balance other than (ii) above	11	2,161.94	2,404.83
(iv) Loans	6	9.19	9.61
(v) Others financial assets	7	47.78	76.65
(c) Income tax assets (net)	12	—	—
(d) Other current assets	13	393.84	232.59
Total current assets		23,549.44	17,408.84
Total assets		26,486.78	20,386.11
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	1,313.40	1,313.40
(b) Other equity			
(i) Securities premium	15	6,497.27	6,497.27
(ii) General reserve	15	575.00	575.00
(iii) Retained earnings	15	9,199.15	7,509.92
Total equity		17,584.82	15,895.59
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	16	—	—
(a) Provisions	18	272.98	268.39
Total non-current liabilities		272.98	268.39
II. Current liabilities			
(a) Financial liabilities			
(i) Trade and other payables			
(a) Outstanding dues of micro and small enterprises	17	94.32	155.16
(b) Outstanding dues other than micro and small enterprises	17	7,724.09	3,254.65
(ii) Other financial liabilities	16	27.92	30.14
(b) Other current liabilities	19	105.62	128.70
(c) Provisions	18	117.06	97.82
(d) Current tax liabilities (net)	12	559.97	555.66
Total current liabilities		8,628.98	4,222.13
Total liabilities		8,901.96	4,490.52
Total equity and liabilities		26,486.78	20,386.11
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Batliboi & Purohit

Chartered Accountants

ICAI Firm Registration No.: 101048W

For and on behalf of the Board of Directors of Caprihans India Limited

per Kaushal Mehta

Partner

Membership No.: 111749

Place : Mumbai

Date : May 13, 2022

ROBIN BANERJEE

Managing Director

DIN: 00008893

Place : Mumbai

Date : May 13, 2022

SIDDHARTH S. SHETYE

Director

DIN: 06943119

Place : Pune

Date : May 13, 2022

PRITAM PAUL

CFO & Company Secretary

FCS Membership No. 5861

Place : Mumbai

Date : May 13, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

Particulars	Notes	Year ended 31 March 2022 INR lacs	Year ended 31 March 2021 INR lacs
Income			
Revenue from operations			
Revenue from contracts with customers	20	38,670.75	29,351.03
Other operating income	20	618.20	305.17
Revenue from operations		39,288.95	29,656.20
Other income	21	437.51	780.30
Total income (I)		39,726.46	30,436.50
Expenses			
Cost of raw materials and components consumed	22	29,517.45	19,426.44
Purchase of Traded Goods	22	104.83	215.45
(Increase) / decrease in inventories of finished goods and work-in-progress	23	(339.75)	358.25
Employee benefits expense	24	2,715.36	2,576.50
Finance costs	25	98.68	90.33
Depreciation and amortisation expense	26	318.27	361.99
Other expenses	27	5,047.51	4,811.00
Total expenses (II)		37,462.35	27,839.96
Exceptional items [Income / (Expense)]		2,264.11	2,596.54
Profit before exceptional items and tax (I-II)		2,264.11	2,596.54
Profit before tax		2,264.11	2,596.54
Tax expense			
Current tax	29	517.62	710.48
Adjustment of tax relating to earlier years	29	(0.28)	(63.30)
Deferred tax charge/(credit)	29	67.28	(73.09)
Total tax expense		584.62	574.09
Profit for the year		1,679.49	2,022.45
Other comprehensive loss			
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of losses on defined benefit plans	28	13.02	26.31
Income tax effect	29	(3.28)	(6.62)
		9.74	19.69
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods		9.74	19.69
Total other comprehensive loss for the year, net of tax		9.74	19.69
Total comprehensive income for the year, net of tax		1,689.23	2,042.14
Profit for the year		1,679.49	2,022.45
Total comprehensive income for the year		1,689.23	2,042.14
Earnings per share [nominal value per share 31 March 2022 : INR 10/- (31 March 2021: INR 10/-)]			
Basic and diluted	30	12.79	15.40
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Batliboi & Purohit

Chartered Accountants

ICAI Firm Registration No.: 101048W

For and on behalf of the Board of Directors of Caprihans India Limited

per Kaushal Mehta

Partner

Membership No.: 111749

Place : Mumbai

Date : May 13, 2022

ROBIN BANERJEE

Managing Director

DIN: 00008893

Place : Mumbai

Date : May 13, 2022

SIDDHARTH S. SHETYE

Director

DIN: 06943119

Place : Pune

Date : May 13, 2022

PRITAM PAUL

CFO & Company Secretary

FCS Membership No. 5861

Place : Mumbai

Date : May 13, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Particulars	Year ended 31 March 2022 INR lacs	Year ended 31 March 2021 INR lacs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,264.11	2,596.54
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and amortisation expense	318.27	361.99
Loss/ (Profit) on disposal of property, plant & equipment and investment property	—	5.14
Bad debts and provision for doubtful debts	10.41	181.58
Foreign exchange differences	(2.91)	5.02
Finance costs	98.68	90.33
Finance income	(137.17)	(591.99)
Provision written back	(325.88)	(180.00)
<i>Working capital adjustments</i>		
(Increase)/Decrease in trade receivables	(4,172.74)	(872.25)
(Increase)/Decrease in inventories	(2,371.40)	(172.31)
(Increase)/Decrease in loans and other financial assets	6.09	(4.86)
(Increase) in other non-current assets	1.23	—
(Increase)/Decrease in other current assets	(161.25)	(79.36)
(Decrease)/Increase in trade and other payables	4,398.88	(319.24)
Increase/(Decrease) in financial liabilities	—	10.00
(Decrease)/Increase in other current liabilities	(23.08)	(93.39)
Increase in provisions	36.85	38.31
Net cash generated from/(used in) operations	(59.91)	975.51
Income taxes paid	(527.83)	(144.65)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	(587.74)	830.86
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	—	—
Repayment of Inter Corporate Deposit	97.50	90.00
Interest received	228.56	582.58
Purchase of property, plant and equipment and intangible assets	(338.49)	(348.65)
Purchase of intangible assets	(1.03)	(30.00)
Maturity of / (investment in) bank deposits - net	241.83	(170.37)
NET CASH (USED IN) /GENERATED FROM INVESTING ACTIVITIES	228.37	123.56
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	(83.16)	(86.65)
Final dividend paid	—	—
Tax on final dividend paid	—	—
Payment of unpaid dividend	(2.22)	(1.09)
NET CASH (USED IN) FINANCING ACTIVITIES	(85.38)	(87.74)
Net (decrease)/increase in cash and cash equivalents	(444.75)	866.68
Cash and cash equivalents at the beginning of the year	1,377.47	510.79
Cash and cash equivalents at the end of the year	932.73	1,377.47
Components of cash and cash equivalents		
Cash on hand	4.40	3.01
Balance with banks		
Current accounts	343.49	324.27
Deposits with original maturity of less than three months	579.84	1,049.86
Remittances in transit	5.00	0.33
Total cash and cash equivalents (refer note 11)	932.73	1,377.47

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Batliboi & Purohit

Chartered Accountants

ICAI Firm Registration No.: 101048W

For and on behalf of the Board of Directors of Caprihans India Limited

per Kaushal Mehta

Partner

Membership No.: 111749

Place : Mumbai

Date : May 13, 2022

ROBIN BANERJEE

Managing Director

DIN: 00008893

Place : Mumbai

Date : May 13, 2022

SIDDHARTH S. SHETYE

Director

DIN: 06943119

Place : Pune

Date : May 13, 2022

PRITAM PAUL

CFO & Company Secretary

FCS Membership No. 5861

Place : Mumbai

Date : May 13, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

(INR lacs)				
Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2022
1,313.40	—	—	—	1,313.40

(INR lacs)				
Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2021
1,313.40	—	—	—	1,313.40

B. Other equity

1) Current reporting period

(INR lacs)				
Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
	Note 15	Note 15	Note 15	
As at 31 March 2021	6,497.27	575.00	7,509.92	14,582.18
Profit for the year			1,679.49	1,679.49
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the current reporting period				
Other comprehensive income for the year			9.74	9.74
Total comprehensive income for the year	—	—	1,689.22	1,689.22
Final dividend for the year ended 31 March 2021				
Tax on final dividend for the year ended 31 March 2021				
Transfer from retained earnings				
Transfer to general reserve				
As at 31 March 2022	6,497.27	575.00	9,199.14	16,271.41

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

2) Previous reporting period

(INR lacs)

Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
	Note 15	Note 15	Note 15	
As at 1 April 2020	6,497.27	575.00	5,467.78	12,540.05
Profit for the year			2,022.45	2,022.45
Changes in accounting policy or prior period errors				
Restated balance at the beginning of the previous reporting period				
Other comprehensive income for the year			19.69	19.69
Total comprehensive income for the year	—	—	2,042.14	2,042.13
Final dividend for the year ended 31 March 2020				
Tax on final dividend for the year ended 31 March 2020				
Transfer from retained earnings				
Transfer to general reserve				
As at 31 March 2021	6,497.27	575.00	7,509.92	14,582.18

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Batliboi & Purohit

Chartered Accountants

ICAI Firm Registration No.: 101048W

For and on behalf of the Board of Directors of Caprihans India Limited

per Kaushal Mehta

Partner

Membership No.: 111749

Place : Mumbai

Date : May 13, 2022

ROBIN BANERJEE

Managing Director

DIN: 00008893

Place : Mumbai

Date : May 13, 2022

SIDDHARTH S. SHETYE

Director

DIN: 06943119

Place : Pune

Date : May 13, 2022

PRITAM PAUL

CFO & Company Secretary

FCS Membership No. 5861

Place : Mumbai

Date : May 13, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. CORPORATE INFORMATION

Caprihans India Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange in India. The registered office of the Company is located at Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018. The Company is engaged in the business of manufacturing of rigid and flexible PVC films, PVdC coated films and plastic extruded products.

The financial statements of the Company were authorised for issue in accordance with a resolution of the Board of Directors at their meeting held on 13 May 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis. The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000) except when otherwise indicated.

2.2. Summary of significant accounting policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

i. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

ii. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

iii. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset and liability.

The principal or the most advantageous market, referred above, must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's finance team determines the policies and procedures for recurring fair value measurement for items, such as derivative instruments.

External valuers are involved for valuation of significant assets such as investment properties. Involvement of external valuation experts is decided upon annually by the finance team after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The finance team decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the finance team analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the finance team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Finance team, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the finance team and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- a) Disclosures for valuation methods, significant estimates and assumptions (note 2.3 and 36)
- b) Investment properties (note 4)
- c) Financial instruments (including those carried at amortised cost) (note 6, 7, 10, 11, 16, 17, 36, 38)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

iv. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation

Depreciation is calculated on assets over the estimated useful life of assets and methods used as mentioned below:

Asset Category	Depreciation method	Useful lives estimated by the management (years)	Useful lives as per Schedule II (years)
Land leasehold	Straight line	95-99	N.A.
Buildings	Written down value	30-60	30-60
Plant & equipment (Production)	Written down value	15	15
Plant & equipment (other than production)	Written down value	10-15	10-15
Furniture & fixture	Written down value	10	10
Vehicles	Written down value	8	8
Office equipment	Written down value	3-6	3-6

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

v. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost includes the cost of replacing parts. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Depreciation

Depreciation on investment property is calculated on a written down value basis over the estimated useful life of assets as follows:

Asset Category	Useful lives estimated by the management (years)	Useful lives as per Schedule II (years)
Buildings	60	60

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

An investment property is derecognised on disposal or on permanent withdrawal from use and no future economic benefits are expected from its disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

vi. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortisation

Amortisation of intangible assets with finite useful life is calculated on a straight-line basis as follows:

Asset category	Life in years
Computer Software	5

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset

The ability to measure reliably the expenditure during development following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

vii. Non-current assets held for sale

The Company has disclosed non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

viii. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (x) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

ix. Inventories

- a) Raw materials, components, including in transit, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, components and stores and spares is determined on a weighted average basis.
- b) Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

x. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Whenever an impairment indicator exists or an annual impairment testing is required, the Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

xi. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

However, GST is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally in accordance with the delivery terms agreed with the customer. The general credit term is 0 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration and consideration payable to the customer.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of the products provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

Rights of return - Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

Volume rebates - The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (xii) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on an actual basis and is included under the head "other income" in the statement of profit and loss.

xii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (xi) Revenue from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The financial assets are subsequently measured at amortised cost.

(ii) De-recognition of financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and revenue receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase / origination.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables.

(ii) Subsequent measurement of financial liabilities

For purposes of subsequent measurement, financial liabilities are classified and measured as follows:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as fair value through profit or loss ('FVTPL'), fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has designated derivative instruments as financial liability as at fair value through profit and loss.

(iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

xiii. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

xiv. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Export incentives

Export incentives under various schemes notified by government are accounted for in the year of exports as grant related to income and is recognized as other operating income in the profit or loss if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled. During the current financial year the same is recognised under other operative income.

xv. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the statement of profit or loss. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the profit or loss is recognised outside the profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

Sales / value added tax / GST

Expenses and assets are recognised net of the amount of sales / value added taxes / GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

xvi. Retirement and other employee benefits

Retirement benefits in the form of provident fund, superannuation scheme and employee state insurance scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the schemes. The Company recognizes contribution payable to the schemes as an expense, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the schemes are recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The employee's gratuity fund scheme is Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the projected unit credit method as at the date of the balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the projected unit credit method as at the date of the balance sheet.

In regard to other long term employment benefits, the Company recognises the net total of service costs; net interest on the net defined benefit liability; and re-measurements of the net defined benefit liability in the profit or loss.

xvii. Earnings per share ('EPS')

Basic EPS is calculated by dividing the Company's earnings for the year attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

xviii. Cash dividend

The Company recognises a liability to make cash distributions to the equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the provisions of Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xix. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability

Contingent liability is disclosed in the case of :

- a present obligation arising from past events, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a present obligation arising from past events, where no reliable estimate is possible; and
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

Defined benefit plans

The cost of the defined benefit plans and other employment benefits and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 31.

2.4. Changes in accounting policies and disclosures

New and amended standards

On March 23, 2022, Ministry of Corporate Affairs ('MCA') amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

Ind AS 103 – Business Combinations

The amendment clarifies that while applying the acquisition method for recognition, the assets and liabilities taken over, in a business combination, must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 16 – Property, Plant and Equipment

The amendment requires that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment clarifies in relation to onerous contracts that the cost of fulfilling a contract comprises the costs that relate directly to the contract which consist of incremental costs of fulfilling that contract (examples would be direct labour, materials) and an allocation of other costs that relate directly to fulfilling contracts. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 41 – Agriculture

The amendment relates to recognition and measurement of biological assets or agricultural produce. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 109 – Financial Instruments

The amendment clarifies that while determining the fees paid (net of fees received) when a borrower applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability, the borrower to include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(InR lacs)

	Land Leasehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
At Cost							
As at 31 March 2020	2.28	344.43	2,714.96	62.84	2.52	164.30	3,291.33
Additions	—	33.72	231.28	8.44	—	61.59	335.03
Disposals	—	0.20	125.66	12.84	—	42.45	181.15
As at 31 March 2021	2.28	377.95	2,820.58	58.44	2.52	183.44	3,445.21
Additions	—	55.26	216.29	23.31	—	13.67	308.52
Disposals	—	—	—	—	—	—	—
As at 31 March 2022	2.28	433.21	3,036.87	81.75	2.52	197.11	3,753.73
Depreciation							
As at 31 March 2020	0.21	115.54	1,172.20	35.95	1.78	138.30	1,463.98
Depreciation for the year	0.04	26.06	261.38	8.03	—	25.14	320.65
Disposals	—	0.20	121.23	12.56	—	42.01	176.00
As at 31 March 2021	0.26	141.40	1,312.35	31.42	1.78	121.43	1,608.63
Depreciation for the year	0.04	29.62	222.77	7.74	—	31.95	292.12
Disposals	—	—	—	—	—	—	—
As at 31 March 2022	0.30	171.03	1,535.11	39.16	1.78	153.38	1,900.75
Net book value							
As at 31 March 2022	1.98	262.18	1,501.75	42.59	0.74	43.73	1,852.98
As at 31 March 2021	2.03	236.55	1,508.23	27.02	0.74	62.01	1,836.58
As at 31 March 2020	2.07	228.89	1,542.76	26.89	0.74	26.00	1,827.35

Notes:

(i) Capital work in progress:

Capital work-in-progress comprises cost of assets that are not yet installed and ready for their intended use at the balance sheet date. Total amount of CWIP as at 31 March 2022 is INR 69.75 lacs (31 March 2021: INR 41.97 lacs).

Capital work-in-progress ageing

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	69.75	—	—	—	69.75
	69.75	—	—	—	69.75

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work-in-progress	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	41.97	—	—	—	41.97
	41.97	—	—	—	41.97

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 4 : INVESTMENT PROPERTY

(INR lacs)

	Building
Cost	
As at 31 March 2020	84.70
Additions	—
Disposals	—
As at 31 March 2021	84.70
Additions	—
Disposals	—
As at 31 March 2022	84.70
Depreciation	
As at 31 March 2020	18.42
Depreciation for the year	3.17
Disposals	—
As at 31 March 2021	21.59
Depreciation for the year	3.02
Disposals	—
As at 31 March 2022	24.61
Net Book value	
As at 31 March 2022	60.08
As at 31 March 2021	63.11

Notes:

(i) Information regarding income and expenditure of investment property

	31 March 2022 INR lacs	31 March 2021 INR lacs
Rental income derived from investment properties	—	—
Direct operating expenses (including repairs and maintenance) generating rental income	—	—
Direct operating expenses (including repairs and maintenance) that did not generate rental income	2.72	2.72
(Loss)/Profit arising from investment properties before depreciation and indirect expenses	(2.72)	(2.72)
Less : Depreciation	3.02	3.17
(Loss)/Profit arising from investment properties before indirect expenses	(5.74)	(5.89)

(ii) The Company's investment property at Bandra was not leased out throughout the year.

As at 31 March 2022 and 31 March 2021, the fair values of the properties are based on valuations performed by an accredited independent valuer, who is a specialist in valuing these types of investment properties.

(iii) The Company has no restrictions on the realisability of its investment properties. Further, the Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 4 : INVESTMENT PROPERTY (Contd.)

(iv) Fair value of the investment properties are as under

Fair value	Building INR lacs
Balance as at 31 March 2020	859.20
Fair value movement for the year	18.96
Sales at fair value	0.00
Balance as at 31 March 2021	878.16
Fair value movement for the year	18.96
Sales at fair value	0.00
Balance as at 31 March 2022	897.12

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation techniques	Fair value hierarchy	Fair Value	
			31 March 2022	31 March 2021
			INR lacs	INR lacs
Flat at Bandra (West), Mumbai	Fair market value	Level 2	897.12	878.16

Fair value note as per valuation report of accredited valuer

The strengths and weakness of the said property, the environmental conditions, prevailing market conditions in the nearby locality and other relevant factors have been taken into account in carrying out the exercise of valuation.

NOTE 5 : INTANGIBLE ASSETS

(INR lacs)

	Computer Software	Total
Cost		
As at 31 March 2020	304.13	304.13
Additions	30.00	30.00
Write Off	0.26	0.26
As at 31 March 2021	333.87	333.87
Additions	1.05	1.05
Write Off	—	—
As at 31 March 2022	334.92	334.92
Amortisation		
As at 31 March 2020	230.86	230.86
Amortisation for the year	38.16	38.16
Deductions	0.26	0.26
As at 31 March 2021	268.76	268.76
Amortisation for the year	23.13	23.13
Deductions	—	—
As at 31 March 2022	291.88	291.88
Net Block		
As at 31 March 2022	43.02	43.02
As at 31 March 2021	65.11	65.11

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 6 : LOANS

Particulars

Non-current

Loans (unsecured)

- To employees (considered good)
- To related party (credit impaired) (refer note 33)

Less: Provision for credit impaired loans

Total loans

Current

Loans (unsecured)

- To employees (considered good)
- To related party (credit impaired) (refer note 33)

Less: Provision for credit impaired loans

Total loans

Total Loans

	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Non-current		
Loans (unsecured)		
— To employees (considered good)	2.29	4.88
— To related party (credit impaired) (refer note 33)	—	—
	2.29	4.88
Less: Provision for credit impaired loans	—	—
Total loans	<u>2.29</u>	<u>4.88</u>
Current		
Loans (unsecured)		
— To employees (considered good)	9.19	9.61
— To related party (credit impaired) (refer note 33)	—	97.50
	9.19	107.11
Less: Provision for credit impaired loans	—	(97.50)
Total loans	<u>9.19</u>	<u>9.61</u>
Total Loans	<u>11.48</u>	<u>14.48</u>

Loans are non-derivative financial assets carried at amortised cost which generate a fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

There are no loans given to directors or firms / private companies where directors are interested for the periods presented.

Loans and advances

	As at 31 March 2022		As at 31 March 2021	
Type of borrower	Amount	% of total loans & advances	Amount	% of total loans & advances
Promoters	—	0.00%	97.50	91.03%

NOTE 7 : OTHER FINANCIAL ASSETS

Particulars

Non-current (unsecured considered good unless otherwise specified)

- Security deposits
- Interest accrued on deposits
- Receivable in respect of non-core activities (net) (refer note 33)
- Bank deposits with remaining maturity of more than 12 months
- Interest accrued on intercorporate deposits (credit impaired) (refer note 33)

Less: Provision for credit impaired assets

Total Non-current financial assets

	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Non-current (unsecured considered good unless otherwise specified)		
Security deposits	166.01	168.79
Interest accrued on deposits	1.23	1.54
Receivable in respect of non-core activities (net) (refer note 33)	245.74	245.74
Bank deposits with remaining maturity of more than 12 months	50.00	48.93
Interest accrued on intercorporate deposits (credit impaired) (refer note 33)	246.60	281.81
	709.58	746.80
Less: Provision for credit impaired assets	(246.60)	(281.81)
Total Non-current financial assets	<u>462.98</u>	<u>465.00</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 7 : OTHER FINANCIAL ASSETS (Contd.)

Particulars

	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Current (unsecured considered good unless otherwise specified)		
Interest accrued on deposits	47.78	76.65
	<u>47.78</u>	<u>76.65</u>
Less: Provision for credit impaired assets		
Total current financial assets	<u>47.78</u>	<u>76.65</u>
Total other financial assets	<u>510.76</u>	<u>541.65</u>

Note - Receivable in respect of non-core activities

In terms of the agreement with Kalpataru Ltd (KL) for disposal of assets of the activities identified as non-core (referred to as non-core assets) the Company is yet to realise an amount of INR 245.74 lacs, which is outstanding since 2005. The delay in the realisation is on account of appeal filed by the Company before the Hon'ble High Court of Bombay challenging the arbitration award passed in the earlier year. As the realisation of this amount is underwritten by KL and the performance of KL has been guaranteed by Mr. Mofatraj P. Munot (Director of the Company till 20 September 2019), Kalpataru Group Companies and others, the management is confident of full recovery of non-core dues in due course. Further the Company has received interest income for the year ended 31 March 2022 of INR 14.70 lacs (31 March 2021 of INR 14.70 lacs) from KL on account of delay in realisation.

NOTE 8 : OTHER NON-CURRENT ASSETS

Particulars

	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Capital advances (unsecured considered good)	86.92	84.75
Prepaid expenses (unsecured considered good)	4.14	5.37
Total	<u>91.06</u>	<u>90.12</u>

There are no advances given to directors or firms / private companies where directors are interested for all the periods presented.

NOTE 9 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars

	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Raw materials		
Raw materials and components	2862.84	3140.18
Raw materials in transit	3829.86	1553.82
Work-in-progress	68.50	64.29
Finished goods	1045.89	693.53
Stores and spares parts	123.80	102.82
Packing materials and fuel	78.96	66.99
Scrap	8.26	25.09
Total	<u>8,018.11</u>	<u>5,646.71</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 10 : TRADE RECEIVABLES

Ageing for trade receivables-billed-current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables-considered good	7,733.61	4,534.64	2.56	3.43	0.55	1.78	12,276.56
Undisputed trade receivables-which have significant in credit risk	64.59	47.10	12.73	0.29	—	—	124.71
Undisputed trade receivables-credit impaired	1.40	11.29	6.33	145.13	20.96	21.05	206.16
Disputed trade receivables-considered good	—	—	—	—	—	—	—
Disputed trade receivables-which have significant in credit risk	—	—	—	—	—	—	—
Disputed trade receivables-credit impaired	—	—	—	—	8.13	86.32	94.45
	7,799.60	4,593.03	21.62	148.85	29.64	109.15	12,701.88
Less: Allowance for doubtful trade receivables - Billed							716.03
							11,985.85

Ageing for trade receivables-billed-current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables-considered good	5,721.35	2,099.16	14.78	1.96	0.40	32.10	7,869.75
Undisputed trade receivables-which have significant in credit risk	143.63	27.27	22.95	2.93	—	—	196.78
Undisputed trade receivables-credit impaired	1.58	86.14	59.42	39.93	7.67	178.19	372.94
Disputed trade receivables-considered good	—	—	—	—	—	—	—
Disputed trade receivables-which have significant in credit risk	—	—	—	—	—	—	—
Disputed trade receivables-credit impaired	—	—	—	—	10.58	78.99	89.57
	5,866.55	2,212.57	97.15	44.82	18.66	289.29	8,529.03
Less: Allowance for doubtful trade receivables - Billed							868.07
							7,660.97

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 0-90 days.

For terms and conditions relating to related party receivables, refer note 33.

See note 38 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 11 : CASH AND BANK BALANCES

Particulars	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Cash and cash equivalents		
Balance with banks		
Current accounts	343.49	324.27
Deposits with original maturity of less than three months	579.84	1,049.86
Remittances in transit	5.00	0.33
Cash on hand	4.40	3.01
Total cash and cash equivalents	932.73	1,377.46
Other bank balances		
Deposits with remaining maturity of less than 12 months	1,630.70	2,124.04
Unpaid dividend accounts	9.92	12.14
Margin money deposits	521.32	268.66
	2,161.94	2,404.84
Total	3,094.67	3,782.31

Deposits are made for varying periods generally between one day and twelve months; and occasionally for periods beyond 12 months; depending on the immediate cash requirement of the Company and earn interest at the respective short term deposit rate.

Financial assets carried at amortised cost

Particulars	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Loans (Note 6)	11.48	14.48
Other financial assets (Note 7)	510.76	541.65
Trade receivables (Note 10)	11,985.85	7,660.97
Cash and bank balances (Note 11)	3,094.67	3,782.31
Total	15,602.76	11,999.40

NOTE 12 : INCOME TAX ASSETS (NET) / CURRENT TAX LIABILITIES

Particulars	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Provision for taxation	559.97	555.66
Income tax receivables (net of provision)	39.03	27.10
Total Current tax liabilities (net)	520.94	528.56
Total Current tax asset (net)	—	—
Non-current tax assets	39.03	27.10
Current tax assets	0.00	0.00
Current tax liabilities (net)	(559.97)	(555.66)
Total	(520.94)	(528.56)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 13 : OTHER CURRENT ASSETS

Particulars

Unsecured considered good

- Advances recoverable
- Balances with GST authorities
- Prepaid expenses

Total

	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
– Advances recoverable	156.49	27.58
– Balances with GST authorities	185.93	153.30
– Prepaid expenses	51.42	51.71
Total	393.84	232.59

NOTE 14 : EQUITY SHARE CAPITAL

Authorised share capital

Equity shares of INR 10 each

Particulars	No. of shares	INR lacs
At 31 March 2020	20,000,000	2,000.00
Increase/(decrease) during the year	—	—
At 31 March 2021	20,000,000	2,000.00
Increase/(decrease) during the year	—	—
At 31 March 2022	20,000,000	2,000.00

Terms / rights attached to the equity shares

The Company has only one class of equity shares having a par value of INR 10/- each. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

The Board of Directors has not recommended any dividend on the equity shares during the year ended 31 March 2022 (31 March 2021 : NIL).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued, subscribed & fully paid up share capital

Equity shares of INR 10 each

Particulars	No. of shares	INR lacs
At 31 March 2020	13,133,971	1,313.40
Changes during the year	—	—
At 31 March 2021	13,133,971	1,313.40
Changes during the year	—	—
At 31 March 2022	13,133,971	1,313.40

14.1. SHARES HELD BY HOLDING COMPANY

Out of equity shares issued by the Company, shares held by its holding Company are as follows:

Particulars

Bilcare Mauritius Limited (w.e.f. 7 November 2019)

Equity shares of INR 10 each

Equity share holding (%)

As at 31 March 2022		As at 31 March 2021	
No. of shares	INR lacs	No. of shares	INR lacs
6,698,325	669.83	6,698,325	669.83
	51.00%		51.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

14.2. NUMBER OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES IN THE COMPANY

Name of the shareholder/Relationship	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Bilcare Mauritius Limited - (Holding Company) (w.e.f. 7 November 2019)	6,698,325	51.00%	6,698,325	51.00%
K. C. Holdings Private Limited - (Enterprise in which person having significant influence is a promoter)	1,242,609	9.46%	1,242,609	9.46%
Mofatraj P. Munot - (Person having significant influence)	664,371	5.06%	664,371	5.06%

14.3 DISCLOSURE OF SHAREHOLDING OF PROMOTERS

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Shares held by promoters

Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Bilcare Mauritius Limited	6,698,325	51.00%	6,698,325	51.00%	0.00%
Mofatraj P Munot	664,371	5.06%	664,371	5.06%	0.00%
Parag M Munot	445,496	3.39%	445,496	3.39%	0.00%
Imtiaz Kanga	38,288	0.29%	38,288	0.29%	0.00%
Monica Parag Munot	26,300	0.20%	26,300	0.20%	0.00%
K. C. Holdings Private Limited	1,242,609	9.46%	1,242,609	9.46%	0.00%
Kalpataru Properties Private Limited	273,736	2.08%	273,736	2.08%	0.00%
Yugdharm Investment & Trading Company Private Limited	22,350	0.17%	22,350	0.17%	0.00%
Mrigashish Investment & Trading Company Private Limited	140	0.00%	140	0.00%	0.00%
Shouri Investment & Trading Company Private Limited	140	0.00%	140	0.00%	0.00%
Total	9,411,755	71.66%	9,411,755	71.66%	0.00%

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Shares held by promoters

Promoter Name	As at March 31, 2021		As at March 31, 2020		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Bilcare Mauritius Limited	6,698,325	51.00%	6,698,325	51.00%	0.00%
Mofatraj P Munot	664,371	5.06%	664,371	5.06%	0.00%
Parag M Munot	445,496	3.39%	445,496	3.39%	0.00%
Imtiaz Kanga	38,288	0.29%	38,288	0.29%	0.00%
Monica Parag Munot	26,300	0.20%	26,300	0.20%	0.00%
K. C. Holdings Private Limited	1,242,609	9.46%	1,242,609	9.46%	0.00%
Kalpataru Properties Private Limited	273,736	2.08%	273,736	2.08%	0.00%
Yugdharm Investment & Trading Company Private Limited	22,350	0.17%	22,350	0.17%	0.00%
Mrigashish Investment & Trading Company Private Limited	140	0.00%	140	0.00%	0.00%
Shouri Investment & Trading Company Private Limited	140	0.00%	140	0.00%	0.00%
Total	9,411,755	71.66%	9,411,755	71.66%	0.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 15 : OTHER EQUITY

NOTE 15.1 OTHER RESERVES

Particulars	Securities premium INR lacs	General reserve INR lacs	Retained earnings INR lacs
As at 31 March 2020	6,497.27	575.00	5,467.78
Add: Profit for the year	—	—	2,022.45
Add: Other comprehensive income for the year	—	—	19.69
Balance available for appropriation	6,497.27	575.00	7,509.92
Less : Appropriations			
Transferred to general reserve	—	—	—
Add: Transfer from retained earnings	—	—	—
Final dividend for the year ended 31 March 2020	—	—	—
Tax on dividend	—	—	—
As at 31 March 2021	6,497.27	575.00	7,509.92
Add: Profit for the year	—	—	1,679.49
Add: Other comprehensive income for the year	—	—	9.74
Balance available for appropriation	6,497.27	575.00	9,199.15
Less : Appropriations			
Transferred to general reserve	—	—	—
Add: Transfer from retained earnings	—	—	—
Final dividend for the year ended 31 March 2021	—	—	—
Tax on dividend	—	—	—
As at 31 March 2022	6,497.27	575.00	9,199.15

Other reserves

Particulars	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Securities premium	6,497.27	6,497.27
General reserve	575.00	575.00
Retained earnings	9,199.15	7,509.92
Total other reserves	16,271.42	14,582.19

NOTE 15.2 DISTRIBUTIONS MADE AND PROPOSED

Particulars	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Cash dividends on equity shares declared and paid		
Final dividend for the year ended 31 March 2021: NIL (31 March 2020: NIL)	—	—
Dividend distribution tax on final dividend	—	—
	—	—
Proposed dividends on equity shares		
Final cash dividend proposed for the year ended 31 March 2022 : Nil (31 March 2021: NIL)	—	—
	—	—
	—	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 16 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Current		
Financial liabilities at amortised cost		
Deposits from customers and others	18.00	18.00
Unclaimed dividends	9.92	12.14
Total financial liabilities at amortised cost	27.92	30.14
Total current other financial liabilities	27.92	30.14
Total other financial liabilities	27.92	30.14

For explanations on the Company's interest risk, foreign currency risk and liquidity risk management processes, refer to note 38.

Financial liabilities at amortised cost

Particulars	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Trade Payables (Note 17)	7,818.41	3,409.81
Other financial liabilities (Note 16)	27.92	30.14
Total financial liabilities carried at amortised cost	7,846.33	3,439.95

NOTE 17 : TRADE AND OTHER PAYABLES

Particulars	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
Trade payables - current		
Outstanding dues of micro and small enterprises (refer note 35)	94.32	155.16
Outstanding dues other than micro and small enterprises	7724.09	3254.65
Total current trade payables	7,818.41	3,409.81

Trade payables are non-interest bearing and are normally settled on 0 - 90 days terms.

For explanations on the Company's foreign currency risk and liquidity risk management processes, refer to note 38.

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
MSME	—	94.27	—	—	0.05	94.32
Others	2,626.11	5,063.95	5.81	12.29	15.93	7,724.09
Disputed dues - MSME	—	—	—	—	—	—
Disputed dues - Others	—	—	—	—	—	—
	2,626.11	5,158.22	5.81	12.29	15.98	7,818.41

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables						
MSME	117.23	37.77	0.12	0.04	—	155.16
Others	521.92	2,691.58	14.81	19.64	6.70	3,254.65
Disputed dues - MSME	—	—	—	—	—	—
Disputed dues - Others	—	—	—	—	—	—
	639.15	2,729.35	14.93	19.68	6.70	3,409.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 18 : PROVISIONS

Particulars

Non-current

Employee benefit obligations:

Compensated absences

Total non-current employee benefit obligations

(a)

Current

Employee benefit obligations:

Compensated absences

Gratuity

Total current employee benefit obligations

(b)

Total Provisions

(a + b)

	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
	272.98	268.39
	<u>272.98</u>	<u>268.39</u>
	92.14	86.30
	24.92	11.52
	<u>117.06</u>	<u>97.82</u>
	<u>390.04</u>	<u>366.22</u>

Employee benefits obligations

a) Gratuity

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity is payable on retirement or termination whichever is earlier. The level of benefits provided depends on the member's length of service and salary. The gratuity plan is funded plan. The gratuity obligation is calculated by the Company without keeping any upper limit.

b) Compensated absences

The leave obligation cover the Company's liability for earned leaves.

Also refer note 31 for detailed disclosure.

NOTE 19 : OTHER CURRENT LIABILITIES

Particulars

Advance from customers

Other payables

Statutory dues including provident fund and tax

Tax deducted at source

Others

Total other liabilities

Total

	As at 31 March 2022 INR lacs	As at 31 March 2021 INR lacs
	58.26	73.85
	18.97	16.82
	26.32	25.48
	2.07	12.55
	<u>105.62</u>	<u>128.70</u>
	<u>105.62</u>	<u>128.70</u>

NOTE 20 : REVENUE FROM OPERATIONS

Particulars

Revenue from contracts with customers

Sale of products

Other operating income

Sale of scrap

Processing charges

Income from exports scheme

Total

	31 March 2022 INR lacs	31 March 2021 INR lacs
	38,670.75	29,351.03
	<u>38,670.75</u>	<u>29,351.03</u>
	106.76	113.91
	447.22	191.25
	64.22	—
	<u>618.20</u>	<u>305.17</u>
	<u>39,288.95</u>	<u>29,656.20</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 20 : REVENUE FROM OPERATIONS (Contd.)

The Company collects GST on behalf of the government. Hence, GST is not included in revenue from operations.

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Revenue as per contracted price	38972.94	29533.57
Adjustments		
Discounts	(48.09)	(29.13)
Sales return	(254.10)	(153.41)
Revenue from contract with customers	38,670.75	29,351.03

Performance obligation

The performance obligation is satisfied at the point in time when control of the goods are transferred to the customer, generally in accordance with the delivery terms agreed with the customer and payment is generally due within 0 to 90 days from the date of delivery.

Some contracts provide customers with volume rebates which give rise to variable consideration.

NOTE 21 : OTHER INCOME

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Interest		
On bank deposits	109.45	195.38
On others*	27.72	396.61
Rent received	0.84	0.84
Exchange differences (net)	(26.41)	12.75
Provision no longer required	320.00	180.00
Miscellaneous income	5.91	(0.14)
Profit on sale of property, plant and equipment and investment property	—	(5.14)
Total	437.51	780.30

* The Company has received income tax refund orders during the year for Assessment Year 2001-02, 2003-04, 2004-05, 2005-06, 2006-07, 2018-19, 2019-20. Accordingly interest of Rs. 364.82 lakhs has been recorded under the head 'Other Income' during the year ended March 31, 2021.

NOTE 22 : COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Inventory at the beginning of the year (including goods in transit)	4,694.00	4,183.08
Add : Purchases	31,516.16	19,937.37
	36,210.16	24,120.45
Less : Inventory at the end of the year (including goods in transit)	(6,692.71)	(4,694.00)
Total	29,517.45	19,426.44

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Purchase of Traded Goods	104.83	215.45
Total	104.83	215.45

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 23 : (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Opening inventory		
Work-in-process	64.29	120.30
Finished goods	693.53	991.48
Scrap	25.09	29.38
Closing inventory		
Work-in-process	68.50	64.29
Finished goods	1,045.90	693.53
Scrap	8.26	25.09
(Increase)/decrease in inventory	(339.75)	358.25

NOTE 24 : EMPLOYEE BENEFITS EXPENSE

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Salaries, wages and bonus	2,354.08	2,277.08
Gratuity expense (refer note 31)	37.94	37.83
Contribution to provident and other funds	104.87	100.89
Staff welfare expenses	218.47	160.69
Total	2,715.36	2,576.50

NOTE 25 : FINANCE COSTS

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Bank charges	83.16	86.63
Other Interest Charges	15.52	3.70
Total	98.68	90.33

NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSE

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Depreciation and amortisation expense		
Depreciation on tangible assets (refer note 3)	292.12	320.65
Depreciation on investment properties (refer note 4)	3.02	3.17
Amortisation on intangible assets (refer note 5)	23.13	38.16
Total	318.27	361.98

NOTE 27 : OTHER EXPENSES

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Consumption of stores	241.19	230.30
Consumption of packing material	726.76	689.07
Sub-contracting expenses	29.17	27.15
Power and fuel	2,122.39	1,796.07
Freight and forwarding charges	966.42	1,026.81
Rent	23.53	22.98
Rates and taxes	9.50	21.06
Insurance	47.21	25.91
Repairs and maintenance		
Plant and machinery	77.61	71.69
Building	29.84	46.79
Others	17.43	15.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 27 : OTHER EXPENSES (Contd.)

Particulars

	31 March 2022 INR lacs	31 March 2021 INR lacs
CSR expenditure (refer details below)	26.87	4.17
Sales commission	119.77	55.34
Travelling and conveyance	62.35	77.23
Communication costs	25.31	22.82
Printing and stationery	15.81	16.64
Advertising and sales promotion	1.36	1.98
Legal and professional fees	163.91	133.37
Directors sitting fees	21.25	19.00
Payment to auditor (refer details below)	15.15	18.60
Bad debts and advances written off	—	28.20
Allowances for doubtful debts and advances (net)	10.41	153.38
Miscellaneous expenses	294.27	306.81
Total	5,047.51	4,811.00

Payment to auditors (net of GST)

Particulars

As Auditor

	31 March 2022 INR lacs	31 March 2021 INR lacs
Audit fees	10.50	12.00
Limited review fees	4.5	6.50
Reimbursement of expenses	0.15	0.10
Total	15.15	18.60

Details of CSR expenditure:

Particulars

	31 March 2022 INR lacs	31 March 2021 INR lacs
Amount required to be spent by the company during the year	28.38	14.97
Amount of expenditure incurred on:		
i) Construction of asset	23.4	—
ii) On purposes other than (i) above	3.00	4.17
Shortfall at the end of the year	1.98	12.05
Total of Previous years shortfall	12.05	
Reason for shortfall	School Closed Due to Covid-19	

Nature of CSR activities

Promoting Education, Improving
Infrastructure for School, Rural
development project

Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard

— —

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 28 : COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	Retained earnings INR lacs	Total INR lacs
During the year ended 31 March 2022		
Re-measurement gains on defined benefit plans	13.02	13.02
	<u>13.02</u>	<u>13.02</u>
During the year ended 31 March 2021		
Re-measurement gains on defined benefit plans	26.31	26.31
	<u>26.31</u>	<u>26.31</u>

NOTE 29 : INCOME TAX

The note below details the major components of income tax expenses for the year ended 31 March 2022 and 31 March 2021. The note further describes the significant estimates made in relation to Company's income tax position and also explains how the income tax expense is impacted by non-assessable and non-deductible items.

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Statement of profit and loss		
Current income tax		
Current income tax charge	517.62	710.48
Adjustment in respect of current income tax relating to earlier years	(0.28)	(63.30)
Deferred tax		
Relating to origination and reversal of temporary differences	67.28	(73.09)
Income tax expense reported in the statement of profit and loss	<u>584.62</u>	<u>574.09</u>

Other Comprehensive Income (OCI)

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Tax related to items recognised in OCI during the year	3.28	6.62
Income tax charged to OCI	<u>3.28</u>	<u>6.62</u>

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate as notified under Income Tax Act, 1961 enacted in India for the years ended 31 March 2022 and 31 March 2021.

A) Current tax

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Accounting profit before income tax expense	2,264.11	2,596.54
Other comprehensive income before tax	13.02	26.31
Total comprehensive income before tax	<u>2,277.13</u>	<u>2,622.85</u>
Current Tax @ 25.17% (31 March 2021: 25.17%)	<u>573.15</u>	<u>660.17</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 29 : INCOME TAX (Contd.)

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Tax effect of adjustments in calculating taxable income:		
Adjustments of other allowances/disallowances (net)	15.03	(16.16)
Income tax adjustments (earlier years)	(0.28)	(63.30)
Change in deferred tax due to change in tax rates	—	—
At the effective income tax rate of 31 March 2022 : 22.15% (31 March 2021 : 22.15%)	<u>587.90</u>	<u>580.71</u>
Income tax effect on OCI	3.28	6.62
Income tax expenses reported in the statement of profit and loss	<u>584.62</u>	<u>574.09</u>
Income tax total	<u>587.90</u>	<u>580.71</u>

B) Deferred tax

	Balance sheet		Statement of profit and loss	
Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs	31 March 2022 INR lacs	31 March 2021 INR lacs
Depreciation	(34.30)	(34.50)	0.20	14.85
Disallowances u/s 43B of Income Tax Act	108.21	121.42	(13.21)	22.77
Provision for doubtful debts & advances	<u>242.24</u>	<u>296.50</u>	<u>(54.26)</u>	<u>35.47</u>
Deferred tax income			<u>(67.27)</u>	<u>73.09</u>
Net deferred tax assets	<u>316.15</u>	<u>383.42</u>		
Reflected in the balance sheet as follows:				
Deferred tax liabilities	(34.30)	(34.50)		
Deferred tax assets	<u>350.45</u>	<u>417.92</u>		
Deferred tax assets (net)	<u>316.15</u>	<u>383.42</u>		

Reconciliation of deferred tax assets net

	31 March 2022 INR lacs	31 March 2021 INR lacs
Opening balance	383.42	310.33
Tax income during the year recognised in profit or loss	<u>(67.27)</u>	<u>73.09</u>
Closing balance	<u>316.15</u>	<u>383.42</u>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The applicable tax rate for 31 March 2022 : 25.17% (31 March 2021 : 25.17%)

NOTE 30 : EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year by the weighted average number of equity shares outstanding during the year. The earnings considered in ascertaining the Company's earnings per share ('EPS') comprise the net profit after tax attributable to equity shareholders.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2022	31 March 2021
Earning per share (Basic and diluted)		
Profit attributable to owners of the Company (INR in lacs)	1,679.49	2,022.45
Weighted average number of equity shares for the purpose of computing earnings per share (basic and diluted)*	13,133,971	13,133,971
Basic and diluted earnings per share	<u>12.79</u>	<u>15.40</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 31 : DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of INR 98.72 lakhs pertaining to contribution to PF and ESIC (31 March 2021 : INR 92.19 lakhs) is recognised as expenses and included in note 24 "Employee benefit expense".

B. Defined benefit plans:

The Company has a defined benefit gratuity plan. The fund is administered by ICICI Prudential Life Insurance. The following table summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for gratuity.

31 March 2022 : Changes in defined benefit obligation and plan assets

Particulars	Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	31 March 2022
	1 April 2021	Service cost	Net interest expense	Sub-total included in statement of profit and loss (note 24)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI (note 29)
Gratuity										
Defined benefit obligation	(663.52)	(37.21)	(41.77)	(78.99)	63.34	—	(0.40)	5.32	1.05	5.97
Fair value of plan assets	652.00	—	41.05	41.05	(63.34)	7.05	—	—	—	7.05
Benefit liability	(11.53)	(37.21)	(0.73)	(37.94)	—	7.05	(0.40)	5.32	1.05	13.02
Total benefit liability	(11.53)	(37.21)	(0.73)	(37.94)	—	7.05	(0.40)	5.32	1.05	13.02
Total benefit liability	(11.53)	(37.21)	(0.73)	(37.94)	—	7.05	(0.40)	5.32	1.05	13.02
Total benefit liability	(11.53)	(37.21)	(0.73)	(37.94)	—	7.05	(0.40)	5.32	1.05	13.02

Gratuity amount of Rs. 2.42 lacs has become due to be paid in the year 2020-21, however the same has been paid in the year 2021-22.

31 March 2021 : Changes in defined benefit obligation and plan assets

Remeasurement gains/(losses) in other comprehensive income											(INR lacs)	
Gratuity cost charged to statement of profit and loss												
Particulars	1 April 2020	Service cost	Net interest expense	Sub-total included in statement of profit and loss (note 24)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI (note 29)	Contributions by employer	31 March 2021
Gratuity												
Defined benefit obligation	(637.80)	(34.38)	(38.26)	(72.64)	66.76	—	—	(37.38)	17.55	(19.83)	—	(663.52)
Fair value of plan assets	582.98	—	34.81	34.81	(66.76)	46.14	—	—	—	46.14	54.81	652.00
Benefit liability	(54.82)	(34.38)	(3.45)	(37.83)	—	46.14	—	(37.38)	17.55	26.31	54.81	(11.53)
Total benefit liability	(54.82)	(34.38)	(3.45)	(37.83)	—	46.14	—	(37.38)	17.55	26.31	54.81	(11.53)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 31 : DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS (Contd.)

C. Other long-term employment benefits

The Company has compensated absences plan which is covered by other long-term employment benefits
31 March 2022 : Changes in defined benefit obligation and plan assets of compensated absences

Particulars	Cost charged to statement of profit and loss					Benefit paid	31 March 2022	(INR lacs)
	1 April 2021	Service cost	Interest cost	Actuarial changes arising from various assumption (net amt)	Sub-total included in statement of profit and loss (note 24)			
Compensated absences								
Defined benefit obligation	(354.69)	(23.46)	(22.33)	(23.09)	(68.88)	58.44	(365.12)	
Benefit liability	(354.69)	(23.46)	(22.33)	(23.09)	(68.88)	58.44	(365.12)	

31 March 2021 : Changes in defined benefit obligation and plan assets of compensated absences

Particulars	Cost charged to statement of profit and loss				Sub-total included in statement of profit and loss (note 24)	Benefit paid	31 March 2021
	1 April 2020	Service cost	Interest cost	Actuarial changes arising from various assumption (net amt)			
Compensated absences							
Defined benefit obligation	(299.38)	(55.19)	(18.85)	(30.11)	(104.14)	48.84	(354.69)
Benefit liability	(299.38)	(55.19)	(18.85)	(30.11)	(104.14)	48.84	(354.69)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 31 : DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS (Contd.)

The major categories of plan assets of the fair value of the total plan assets of gratuity are as follows:

Particulars	31 March 2022	31 March 2021
Insured managed funds (in Lacs)	648.28	652.00
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	31 March 2022	31 March 2021
Discount rate	6.90%	6.30%
Future salary increase	10% p.a. for first two consecutive years	10% p.a. for first two consecutive years
	6.5% p.a. thereafter	6.5% p.a. thereafter
Expected average remaining working lives (in years)	16.30 Years	16.47 Years
Gratuity	16.30 Years	16.44 Years
Compensated absences	5.00%	5.00%
Withdrawal rate (based on grade and age of employees)	7.00%	5.00%
Gratuity	5.00%	5.00%
Upto 44 Years	7.00%	5.00%
Above 44 Years	5.00%	5.00%
Compensated absences	5.00%	5.00%
Upto 44 Years	7.00%	5.00%
Above 44 Years	5.00%	5.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 31 : DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS (Contd.)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	Increase/decrease in defined benefit obligation (Impact)	
		31 March 2022 INR lacs	31 March 2021 INR lacs
Discount rate	1% increase	639.13	626.98
	1% decrease	710.84	704.25
Future salary increase	1% increase	710.23	703.40
	1% decrease	639.05	627.05
Withdrawal rate	increase by 50% of withdrawal rate	673.92	661.74
	decrease by 50% of withdrawal rate	672.00	665.58
Mortality rate	increase by 10% of mortality rate	673.21	663.49
	decrease by 10% of mortality rate	673.18	663.55

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Within the next 12 months (next annual reporting period)		
Gratuity	135.58	137.13
Between 2 and 5 years		
Gratuity	329.24	281.38
Between 6 and 10 years		
Gratuity	300.53	310.11
Beyond 10 years		
Gratuity	272.79	291.36
Total expected payments	1,038.14	1,019.98

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	31 March 2022 Years	31 March 2021 Years
Gratuity	5 years	6 years

The followings are the expected contributions to planned assets for the next year:

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Gratuity	56.17	42.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 32 : COMMITMENTS AND CONTINGENCIES

a. Capital and other commitments

Particulars

Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

31 March 2022 INR lacs	31 March 2021 INR lacs
244.72	140.65

b. Contingent liabilities

Particulars

Contingent liabilities not provided for

- Demands of Excise authorities which are disputed in appeals by the Company
- Other excise notices pending adjudication
- Demands of Income tax authorities which are disputed in appeals and not provided for
- Claims against the company not acknowledged as debts - estimated

31 March 2022 INR lacs	31 March 2021 INR lacs
62.24	62.24
92.37	190.50
529.36	—
436.23	416.78
<u>1,120.20</u>	<u>669.52</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 33 : RELATED PARTY TRANSACTIONS

Related parties have been identified on the basis of representation made by the Key Management Persons and taken on record by the Board.

Disclosures of transactions with related parties are as under:

A. Description of related parties

i) Name of the related party and nature of relationship where control exists

Related party category	Name of the Entity
Holding company	Bilcare Mauritius Limited
Ultimate holding company	Bilcare Limited
Person having significant influence	Mofatraj P. Munot
Enterprise in which person having significant influence is a promoter	K. C. Holdings Pvt Ltd Kalpataru Limited Kalpataru Properties Private Limited
Relatives of person having significant influence	Parag Mofatraj Munot Monica Parag Munot

ii) Key management personnel

Name	Name of the office held
Ms. Ankita J. Kariya	Chairperson, Promoter Director
Mr. Robin Banerjee	Managing Director
Mr. Bhounik S. Vaidya	Independent Director
Ms. Anjali Seth*	Independent Director
Mr. Nitin K Joshi	Independent Director
Mr. Siddharth S. Shetye	Independent Director
Mr. Narendra Lodha	Non Independent Director
Mr. Chandrashekhar Joglekar	Non Independent Director

* Held office till 29.03.2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTE 33 : RELATED PARTY TRANSACTIONS (Contd.)
B. Transactions with related parties

Related party category	Name of the related	31 March 2022 INR lacs	31 March 2021 INR lacs	Nature of transaction
Ultimate Holding Company	Bilcare Limited*	30.33	46.58	Interest accrued (gross)
Enterprise in which person having significant influence is a promoter	Kalpataru Limited	14.70	14.70	Interest accrued (gross)
Total		45.03	61.28	
Ultimate Holding Company	Bilcare Limited*	97.50	90.00	Intercompany Deposits principal received
Ultimate Holding Company	Bilcare Limited*	62.50	—	Interest on Intercompany Deposits
Ultimate Holding Company	Bilcare Limited*	160.00	90.00	Received against outstanding receivables
Total		320.00	180.00	
Ultimate Holding Company	Bilcare Limited*	27.30	43.08	Expense recognised during the period in respect for bad or doubtful debts/ advances
Ultimate Holding Company	Bilcare Limited*	(320.00)	(180.00)	Reversal of provision as no longer required
Total		(292.70)	(136.92)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 33 : RELATED PARTY TRANSACTIONS (Contd.)

C. Outstanding with / from related party

Nature of balances	Name of the related	31 March 2022 INR lacs	31 March 2021 INR lacs
Accounts receivable from Ultimate Holding company			
Sale of goods	Bilcare Limited*	1.00	161.00
Intercompany Deposits	Bilcare Limited*	0.00	97.50
Interest on Intercompany deposits	Bilcare Limited*	246.61	281.81
Total		247.61	540.31
Provision for doubtful receivables			
Ultimate Holding Company	Bilcare Limited*	247.61	540.31
Total		247.61	540.31
Receivables in respect of non core activities			
Enterprise in which person having significant influence is a promoter	Kalpataru Limited	246.95	245.74
Total		246.95	245.74

* Though the amounts receivable from Bilcare Limited has been fully provided for, the Company is doing regular follow up and monitoring through regular discussions in board meetings. During the year, the Company has received Rs. 160 lacs against trade receivables, Rs. 97.50 lacs against Intercompany deposit and Rs. 62.50 lacs against Interest on Intercompany deposits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 33 : RELATED PARTY TRANSACTIONS (Contd.)

Terms and conditions of transactions with related parties

Outstanding balances are unsecured and settlement occurs in cash. For the year ended 31 March 2022, the Company has recorded an impairment of receivables relating to amounts owed by related parties of INR 30.33 lacs (31 March 2021: INR 46.58 lacs). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

During the year ended 31 March 2020, in a letter dated 8 November 2019, Bilcare Limited (the ultimate holding Company) ("Bilcare") informed the Company that pursuant to Bilcare's divestment of Bilcare Research AG (BRAG), Bilcare has agreed to not to compete for 2 years effective from 8 November 2019 in the PVC/PVDC segment in markets other than India, Saudi Arabia, Iran & Bangladesh ("Non-compete markets") without any consideration. The said period of 2 Years ended on 7 November 2021. The impact of the said non compete period is not material on the annual results for the year ended 31 March 2022.

Guarantee from related parties:

The realisation of amount due on account of disposal of assets of the activities identified as non core is underwritten by Kalpataru Limited (KL) and the performance of KL has been guaranteed by Mr. Mofatraj P. Munot, Kalpataru Group Companies and others. (refer note 7).

Transactions with key management personnel

Compensation of key management personnel of the Company

Particulars

Mr. Robin Banerjee, Managing Director

Salary & allowances

Reimbursement of medical & leave travel expenses

Contribution to Provident & other funds

Performance Linked Incentives*

Total

31 March 2022 INR lacs	31 March 2021 INR lacs
111.00	111.00
4.75	4.75
8.28	8.28
37.50	25.00
<u>161.53</u>	<u>149.03</u>

The amount disclosed in the table are the amount recognised as an expense during the reporting period related to key management personnel.

* Performance linked incentives of Rs. 37.50 lacs for the Financial Year 2020-21 stands paid to the Managing Director. Further an amount of Rs. 17.50 lacs (balance amount) pertaining to Financial year 2019-20 yet to be paid to the Managing Director.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 33 : RELATED PARTY TRANSACTIONS (Contd.)

The above figures exclude provision for gratuity and leave encashment which are actuarially determined on an overall basis.

Sitting fees paid to key management personnel of the Company

Particulars	Name of the office held	31 March 2022 INR lacs	31 March 2021 INR lacs
Ms. Ankita J. Kariya	Chairperson, Promoter Director	2.50	2.00
Mr. Bhounik S. Vaidya	Independent Director	4.25	3.50
Late Sh. K V Mani*	Independent Director	0.00	2.50
Ms. Anjali Seth**	Independent Director	1.50	1.50
Mr. Nitin K Joshi	Independent Director	3.00	2.25
Mr. Siddharth S. Shetye	Independent Director	3.50	3.00
Mr. Narendra Lodha	Non-Independent Director	4.00	2.25
Mr. Chandrashekhar Joglekar	Non-Independent Director	2.50	2.00
Total		21.25	19.00

* Late Shri K V Mani held office upto 21 January, 2021

** Held office till 29 March, 2022

NOTE 34 : OPERATING SEGMENT

The Company is engaged mainly in processing of plastic polymers and its products are covered under a one business segment i.e. processing of plastic polymers as primary segment. The revenue from transactions with a single customer exceeds 10% of the total revenues of the Company. The geographical information required by Ind AS 108 is as under:

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
a) Revenue from operations		
Sale of products		
Within India	35,685.76	27,668.17
Outside India	2,984.99	1,682.86
Total	38,670.75	29,351.03
b) Non-current assets*		
Within India	2,155.93	2,123.97
Outside India	—	—
Total	2,155.93	2,123.97

* Note: Non current assets excludes financial assets, deferred tax assets and post employment benefit assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 35 : DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
– Principal amount due to micro and small enterprises	94.29	155.16
– Interest due on above (*)	0.94	0.09
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. (*)	15.52	3.61
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	—	—
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 and subsequent amendments from time to time (*)	15.52	3.61

(*) As per the terms of the commercial agreements with micro, small and medium enterprises there is no interest amount to be paid / payable by the Company.

NOTE 36 : FAIR VALUE DISCLOSURES FOR FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Management believes that the fair values of non-current financial assets (loans and others), current financial assets (e.g., cash and cash equivalents, trade and other receivables and loans), non-current financial liabilities and current financial liabilities (e.g., trade payables and other payables and others) approximate their carrying amounts and accordingly, separate disclosure have not been made. Refer note 11 and 16 to the financial statements.

NOTE 37 : EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT (R&D)

The Company received from Ministry of Science & Technology, Government of India recognition for In House R&D Unit at its Nashik Factory and at its Thane Factory. R&D cost that are not eligible for capitalisation have been expensed in the period incurred during the year ended 31 March 2022 INR 80.40 lacs) (31 March 2021 INR 50.75 lacs) and they are recognised in other expenses.

The details of expenditure incurred on R&D for the financial year ended 31 March 2022 are as under:

Particulars	31 March 2022 INR in lacs Thane Unit	31 March 2022 INR in lacs Nashik Unit	31 March 2022 INR in lacs Total
Capital	2.42	0.60	3.02
Revenue	19.64	60.76	80.40
Total	22.06	61.36	83.42

The details of expenditure incurred on R&D for the financial year ended 31 March 2021 are as under:

Particulars	31 March 2021 INR in lacs Thane Unit	31 March 2021 INR in lacs Nashik Unit	31 March 2021 INR in lacs Total
Capital	3.21	11.70	14.91
Revenue	20.50	30.25	50.75
Total	23.71	41.95	65.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 38: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise of trade and other payables and other financial liabilities. The Company's principal financial assets includes loans, trade receivables, cash and bank balances, other assets and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees and advises on these risks. The Company's senior finance team advises on financial risks and provides assurance that the Company's financial risk are identified, measured, managed and mitigated in accordance with general risk mitigation policies and objectives. All derivative activities are carried out by senior finance team who has the appropriate skills, expertise and experience and is being overseen by the Managing Director from time to time as per business needs. It is the Company's policy that no trading in derivatives for speculative purposes be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, trade and other receivables and trade and other payables.

The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 March 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any long term & short term borrowings.

The impact of +/- 25 bps in bank interest rates on deposits is estimated at +/- INR 6.95 lacs as on 31 March 2022, +/- INR 8.73 lacs as on 31 March 2021, without considering any change in deposit amounts.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Following table demonstrates Company's foreign currency exposure

Nature of exposure	Currency	31 March 2022		31 March 2021	
		Foreign currencies	INR lacs	Foreign currencies	INR lacs
Receivables –					
Export Trade receivables	USD	845,842	640.98	299,028	219.85
	EUR	—	—	—	—
	AED	120,129	24.78	—	—
Payables –					
Import Trade payables	USD	6,959,198	5,267.83	2,152,971	1,583.08
	EUR	763,170	639.00	92,983	80.03
	AED	—	—	7,010	1.40

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 38: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material and have not covered in sensitivity analysis.

Particulars

31 March 2022

31 March 2021

Change in USD rate	Effect on profit before tax- gain/ (loss) (INR lacs)
+5%	(231.70)
-5%	231.70
+5%	(68.16)
-5%	68.16

Commodity price risk

The Company is affected by the price volatility of resin, base raw material for manufacturing PVC Films and being sourced from both domestic and international suppliers. The price volatility is due to demand-supply position in international market and exchange impact arising due to delivery lead time. The upward or downward trend in raw material is generally being passed on to the end customer other than exceptional cases as per business needs and therefore neutralising the exchange risks arising therefrom and as such the impact of such volatility, is difficult to be quantified or measured.

Equity price risk

The Company has not made investments in equity securities, hence are not susceptible to market price risk arising from uncertainties about future values of the investment securities.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. A provision is created for a counter party whose payment is due more than 180 days after its due date.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 10. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The COVID-19 pandemic has brought economies, businesses and lives around the world to a standstill, and our country is no exception. On the basis of current assessment and estimates, the management foresees risk of recoverability from some of its customers. Accordingly, the Company has made appropriate provisions in the books of accounts arising from COVID-19 pandemic. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 38: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the Balance Sheet as at 31 March 2022 and 31 March 2021 is the carrying amounts as illustrated in note 10 and note 11. The Company's maximum exposure relating to financial instruments is noted in the liquidity table below.

(c) Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

					INR in lacs
Particulars	On Demand	less than 3 months	3 months to 1 year	1 year to 5 years	Total
Year ended 31 March 2022					
Trade, other payables and other financial liabilities	1,036.92	6,122.12	687.26	—	7,846.30
	1,036.92	6,122.12	687.26	—	7,846.30
Year ended 31 March 2021					
Trade, other payables and other financial liabilities	395.36	2,289.34	736.35	—	3421.05
	395.36	2,289.34	736.35	—	3421.05

The disclosed financial derivative instruments in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net.

NOTE 39 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Company does not have short term/ long term borrowings and manages its working capital requirements through internal sources.

The position of net current assets and total shareholders equity are as follows -

Particulars	31 March 2022 INR lacs	31 March 2021 INR lacs
Current Assets	23,549.44	17,408.85
Less: Current liabilities	8,628.98	4,222.13
Net current assets	14,920.46	13,186.72
Equity share capital	1,313.40	1,313.40
Other equity	16,271.42	14,582.19
Total capital	17,584.82	15,895.59

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 40 : ADDITIONAL REGULATORY INFORMATION

Ratios

Ratio	Numerator	Denominator	Current year	Previous year	% Variance	Remarks for variance more than 25%
Current ratio (in times)	Total current assets	Total current liabilities	2.73	4.12	-33.8%	Decrease in current ratio is due to increase in Trade payables & Goods in Transit
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	—	—	—	Not Applicable
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	21.34	27.62	-22.7%	Not Applicable
Return on equity ratio (in%)	Profit for the year less Preference dividend (if any)	Average total equity	128.6%	155.5%	-17.3%	Not Applicable
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.00	4.08	-2.0%	Not Applicable
Trade payables turnover ratio (in times)	Cost of Raw Material Consumed + Purchase of Traded Goods + Other Exp.	Average trade payables	6.18	6.86	-10.0%	Not Applicable
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.63	2.25	17.1%	Not Applicable
Net profit ratio (in%)	Profit for the year	Revenue from operations	4.30%	6.89%	-37.6%	Decrease in net profit due to reduction in gross margin
Return on capital employed (in%)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	13.68%	17.32%	-21.0%	Not Applicable
Return on investment (in%)	Income generated from invested funds	Average invested funds in treasury Investments	—	—	—	Not Applicable

NOTE 41 : WORKING CAPITAL FACILITIES BY BANK

Bank of Maharashtra has sanctioned working capital facilities (Including fund based limits of Rs. 100 lacs) of Rs. 2275.00 lacs (31 March 2021 Rs. 2275.00 lacs) which are secured by hypothecation of stock and book debts.

HDFC bank has sanctioned working capital facilities non fund based limit (against 100% Fixed deposits) of Rs. 1500.00 Lacs (31 March 2021 Rs. Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTE 42 : NO TRANSACTIONS TO REPORT AGAINST THE FOLLOWING DISCLOSURE REQUIREMENTS AS NOTIFIED BY MCA PURSUANT TO AMENDED SCHEDULE III :

- 1) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2) The Company does not have any transactions with struck off companies.
- 3) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 4) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 5) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- 6) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 7) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- 8) The Company has filed monthly statements of current assets with the banks in agreement with the books of accounts.
- 9) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.
- 10) The Company has not made any Loans or Advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 - (a) repayable on demand or
 - (b) without specifying any terms or period of repayment
- 11) The company has not been declared as a wilful defaulter

NOTE 43: The previous years numbers relating to income tax assets / liabilities have been regrouped to correspond with the current year's classification for better presentation.

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No.: 101048W

For and on behalf of the Board of Directors of Caprihans India Limited

per KAUSHAL MEHTA
Partner
Membership No.: 111749
Place : Mumbai
Date : May 13, 2022

ROBIN BANERJEE Managing Director DIN: 00008893 Place : Mumbai Date : May 13, 2022	SIDDHARTH S. SHETYE Director DIN: 06943119 Place: Pune Date : May 13, 2022	PRITAM PAUL CFO & Company Secretary FCS Membership No: 5861 Place : Mumbai Date : May 13, 2022
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Notes

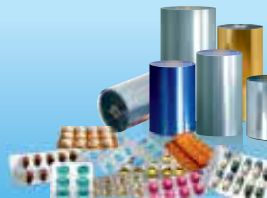
caprihans
INDIA LIMITED

Quality packaging solutions....for decades

A caring relationship for life



Mono
PVC Blister Film



caprihans
INDIA LIMITED

Quality packaging solutions....for decades

Get the right materials and
prep the vehicle



Sunflex
Flexible PVC films



caprihans
INDIA LIMITED

Quality packaging solutions....for decades

Weathering wear & tear...
Protecting always.



Sunflex
Flexible PVC films



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Quality packaging solutions....for decades

Differentiating
Packaging Solutions.



Sunblis Jewel
Metallic Blister Films



Caprihans Brands

Sundene

PVdC Coated Films

Sunblis

Rigid PVC Films

Sunplex

BILAM / TRILAM
Multi-layer Films

Sunvic

Rigid PVC
Speciality Films

Sunflex

Flexible PVC Films

**Sunblis
Jewel**

Metallic Blister Films

Sunplex

MPAC / LAMPAC
Metallised Films

Sunlid

Paper + PVdC

Sunpac

Flute Board

caprihans
INDIA LIMITED

(A Bilcare Group Company)

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Website : www.caprihansindia.com

CIN: L29150MH1946PLC004877