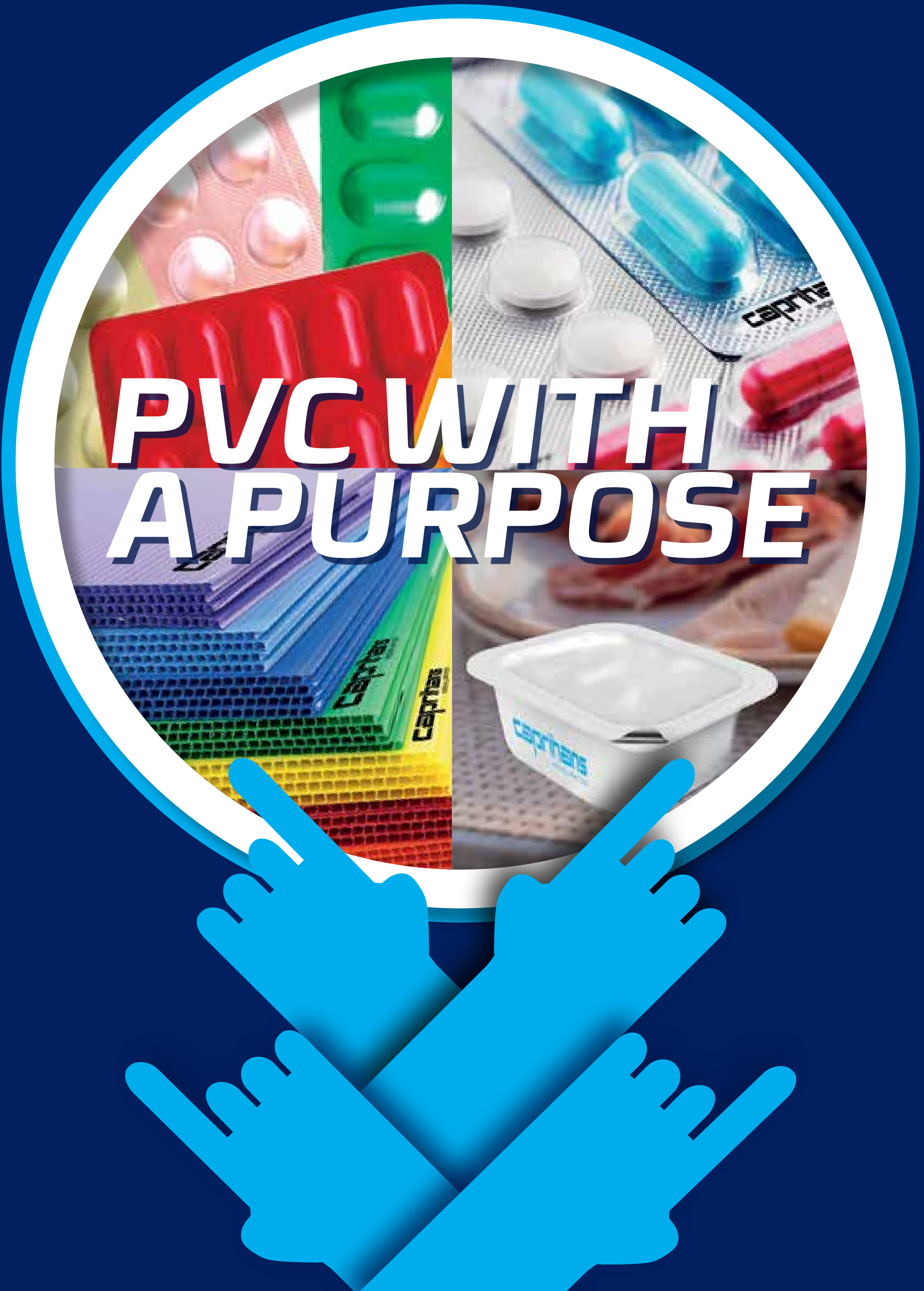
caprihans
INDIA LIMITED

Quality solutions... for decades

75TH ANNUAL REPORT 2020-2021



Excellence in PVC Manufacturing

caprihans
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BOARD OF DIRECTORS

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

CFO & COMPANY SECRETARY

MR. PRITAM PAUL

BANKERS

BANK OF MAHARASHTRA
HDFC BANK LTD

STATUTORY AUDITORS

BATLIBOI & PUROHIT
Chartered Accountants

REGISTERED OFFICE

BLOCK-D, SHIVSAGAR ESTATE,
DR. ANNIE BESANT ROAD,
WORLI, MUMBAI - 400 018.
Tel. : 2497 8660, 2497 8661
Email : cil@caprihansindia.com
Web : www.caprihansindia.com

CIN : L29150MH1946PLC004877

FACTORIES

PLOT NOS. C-13/16, ROAD NO. 16/T, WAGLE INDUSTRIAL ESTATE, THANE 400 604.
PLOT NOS. 76/77, MIDC INDUSTRIAL ESTATE, TRIMBAK ROAD, SATPUR, NASIK 422 007.

caprihans INDIA LIMITED

Directors' Report

To THE MEMBERS

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

1. FINANCIAL RESULTS:

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

2. DIVIDEND:

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

3. PERFORMANCE:

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

b) **COVID 19**

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

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

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

4. SHIFTING OF REGISTERED OFFICE AND CORPORATE OFFICE:

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

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

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

5. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, wherever applicable;

(b) Appropriate accounting policies have been selected and applied consistently. The accounting estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2021 and of the Profit of the Company for the year ended 31st March, 2021.

(c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud.

(d) The annual accounts have been prepared on a going concern basis.

(e) The Company has laid down internal financial controls to be followed and that such financial controls are adequate and effective; and

(f) The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and effective.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sad demise of Director

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

Re-appointment of Director liable to retire by rotation:

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

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

Re-appointment of Managing Director

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

Independent Director(s) Declaration:

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, and Listing Regulations, stating that they meet the criteria of independence as provided therein.

7. EVALUATION OF THE BOARD'S PERFORMANCE:

Pursuant to the provisions of Section 134(3), Section 149(8) and Schedule IV of the Act read with Listing Regulations, the performance evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, a separate meeting of the Independent Directors was held on 10th February, 2021 without the attendence of non-independent Directors and company executives. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views.

8. CONSERVATION OF ENERGY:

Details relating to the Conservation of Energy and Technology absorption and foreign exchange earnings and outgoings as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in **Annexure I** forming part of the Directors' Report.

9. CORPORATE GOVERNANCE:

In terms of Listing Regulations and Companies Act, 2013, a report on the Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance and Management Discussion and Analysis Report are given in **Annexure II and III** respectively, to this report.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In line with company's CSR policy, the company has continued helping in educating the under-privilledged 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 priviledged children);

The Annual Report on CSR activities is given in **Annexure IV** to this report.

11. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, no reportable material weakness in the design or operation were observed.

12. VIGIL MECHANISM:

Under the vigil mechanism of the Company, by way of a whistle blower Policy, protected disclosure can be made by a whistle blower to the Managing Director. The Whistle Blower Policy may be accessed on the Company's website at the link: http://www.caprihansindia.com/corporatepolicy

13. SEXUAL HARASSMENT MECHANISM:

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace and formed a committee to address the complaints in this regard.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2020-21, no complaints were received in this regard.

14. AUDITORS AND AUDITORS REPORT:

STATUTORY AUDITOR:

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

COST AUDITOR:

At the Seventy Fourth Annual General Meeting (AGM) held on 30th September, 2020, M/S. Dhananjay V Joshi & Associates, Cost Accountants (Firm Reg. No. 000030), were appointed as Cost Auditors of the Company, for conducting the audit of cost records of the Company for the financial year 2020-21.

SECRETARIAL AUDITOR:

The Board had appointed M/s DVD & Associates, Practising Company Secretaries, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2020-21.

The Report of the Secretarial Auditor pursuant to Section 204(1) of the Companies Act, 2013 and the rules made thereunder is given in **Annexure V** to this report.

15. DISCLOSURES:

(a) AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Siddharth S Shetye (Chairman), Mr. Bhoumick S Vaidya and Mr. Narendra S. Lodha as members. All the recommendations made by the Audit Committee were accepted by the Board.

(b) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

In terms of the provisions of Section 197(12) of the Companies Act (herein referred as Act), read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 statement showing the names and other particulars of the employees drawing remuneration is excess of the limits set out in the said rules forms part of the Annual Report.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also forms part of the Annual Report.

However, as per the provisions of Section 136(1) of Act, the Report and Accounts are being sent to the members, excluding the aforesaid information. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company.

(c) EXTRACT OF ANNUAL RETURN:

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

(d) NUMBER OF BOARD MEETINGS:

The Board of Directors met 4 (four) times in the year 2020-21. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

(e) RELATED PARTY TRANSACTIONS:

All the related party transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Regulations. All the related party transactions are presented to the Audit Committee for their recommendations to the Board.

The Related Party Transaction Policy is available on the Company's website at the link:

http://www.caprihansindia.com/corporatepolicy

The disclosure relating to the transaction with related parties are mentioned in Note No. 33 to the notes on financial statement.

(f) PARTICULARS OF LOAN GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

Particulars of loan given are provided in the Note No 6 to the notes on financial statements.

16. INDUSTRIAL RELATIONS:

The industrial relations remained cordial during the year.

17. ACKNOWLEDGEMENT:

The Board wishes to place on record its appreciation of the services rendered by the employees of the Company. The Board also wishes to thank the Bankers for their continued co-operation and assistance extended by them.

On behalf of the Board of Directors

ROBIN BANERJEE
Managing Director
Place: Mumbai

SIDDHARTH S. SHETYE
Director
Place: Pune

Dated : 25th June, 2021

Annexure I to the Directors' Report

A. CONSERVATION OF ENERGY

(i) Steps taken for conservation of Energy:

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

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

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

(iii) The Capital investment on energy conservation equipment

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

B. TECHNOLOGY ABSORPTION

(i) Major efforts made towards technology absorption:

- Establishing ISO, 15378 bringing better systems and processes, improved quality in all production lines, which is in line with customer expectations.
- Establishing ISO, 14001 bringing better systems and processes, improved utilization of natural resources.
- Working on different formulations including cost effective ones.

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

- Achieved better quality and higher line efficiency.
- Cost effective finished products.
- Cost reduction by using low cost raw materials viz. stabilisers, titanium dioxides, Calcium Zinc stabiliser etc.
- Different variants depending upon customer specific requirements.

(iii) Information regarding imported technology:

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

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

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

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

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

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Annexure II to the Directors' Report - Corporate Governance

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability across all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

2. Board of Directors

(a) Composition:

The composition of the Board as on 31st March, 2021 is as follows:

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

Note:

* Directorships in private companies, foreign companies and associations are excluded.

** Represent Membership / Chairmanship of Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee only.

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

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

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

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

Name the Director	Name of Listed entity(s) where he/she is a Director	Category
Ms. Anjali Seth	Endurance Technologies Limited	Independent Director
	Kalpataru Power Transmission Ltd	
	JMC Projects (India) Ltd	
	Centrum Capital Limited	
	Nirlon Limited	
Mr. Siddharth S Shetye	None	NA
Mr. Nitin K Joshi	None	NA
Mr. Narendra Lodha	None	NA
Mr. Chandrashekhar Joglekar	None	NA

(c) Profile of Directors:

A brief profile of Mr. Narendra S. Lodha, Non-Executive Director, seeking re-appointment is given in Annexure II A to this report.

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

During the year ended 31st March, 2021, Four (4) Board Meetings were held on 23rd June 2020, 2nd September 2020, 9th November 2020 and 10th February 2021.

Attendance at above Board Meetings and at last Annual General Meeting (AGM) held on 30th September, 2020 is as under:

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Mrs. Ankita J. Kariya	4	YES
Mr. Robin Banerjee	4	YES
Mr. Bhoumick S. Vaidya	4	NO
Late Sh. K V Mani*	3	YES
Ms. Anjali Seth	3	NO
Mr. Siddharth S Shetye	4	YES
Mr. Nitin K Joshi	4	YES
Mr. Narendra Lodha	4	NO
Mr. Chandrashekhar Joglekar	4	NO

* Held office till 21.01.2021

Shareholding of Non-Executive Directors as on 31/03/2021 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	—

(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 employees in the management Grade 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 10th February, 2021 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 31st March, 2021 4 (four) Audit Committee Meetings were held on 23rd June 2020, 2nd September 2020, 9th November 2020 and 10th February 2021. 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
Late Sh. K.V. Mani*	Member	Independent Non-Executive	3
Mr. Narendra Lodha**	Member	Independent Non-Executive	1

* Held office till 21.01.2021

** Appointed w.e.f. 10.02.2021

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, Company Secretary, also acts as the Secretary to the Committee.

B. Nomination and Remuneration Committee:

Composition and Attendance at the Meeting:

During the year ended 31st March, 2021, 1 (One) meeting was held on 2nd September 2020. 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	1
Mr. Bhoumick S Vaidya	Member	Independent Non-Executive	1
Mr. K V Mani*	Member	Independent Non-Executive	1
Mr. Narendra Lodha**	Member	Independent Non-Executive	—

* Held office till 21.01.2021

** Appointed w.e.f. 10.02.2021

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 with in 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. 2020-21 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. 2020-21]	37.50
	TOTAL	**161.53**

The above figures exclude provision for gratuity and leave encashment which are actuarially determined on an overall Company basis. * Performance linked incentives are approved by the Board of Directors, yet to be paid by the Company

The details of performance linked incentives to be paid to the Managing Director for financial year 2019-20 is as under:

Sl. No.	Particulars	Rs. in lakhs
1	Total Performance Linked Incentives	42.50
	Paid during the year	25.00
	Balance to be paid	**17.50**

The details of Directors sitting fees paid to Non-Executive Directors during the period 1st April 2020 to 31st March 2021 are given below:

Name of the Director	Rs. in lakhs
Mrs. Ankita J. Kariya	2.00
Mr. Bhoumick S. Vaidya	3.50
Late Sh. K V Mani*	2.50
Ms. Anjali Seth	1.50
Mr. Siddharth S. Shetye	3.00
Mr. Nitin K. Joshi	2.25
Mr. Narendra S. Lodha	2.25
Mr. Chandrashekhar Joglekar	2.00
TOTAL	**19.00**

* Held office till 21.01.2021

Remuneration of Senior Management Employees:

The remuneration including annual increment and performance incentive/EBITDA Bonus 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 the 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 – Thane

The remuneration of above category employees are 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/EBITDA Bonus and rewards.

C. Stakeholders Relationship Committee:

Composition and Attendance at the Meeting:

During the year ended 31st March, 2021 one meeting was held on 10th February 2021. 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	—

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 01/04/2020 to 31/03/2021 are 1. The number of complaints received from SEBI is None. No transfers were pending as on 31st March, 2021.

D. CSR Committee:

The CSR committee comprises of Mr. Bhoumick S Vaidya, Ms. Anjali Seth 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);

(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 adivasi and the under privileged children)

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

4. General Body Meetings

During the preceding three years, the Company's Annual General Meeting were held at Sunville Banquets, Mumbai-400018 during the year 2018 and 2019 and through Video Conferencing in the year 2020. The date and time of Annual General Meetings held during the last three years, and the special resolution(s) passed thereat, are as follows:

Financial year ended	Date	Time	Special Resolutions passed
31st March 2020	30th September 2020	1:00 p.m.	• Insertion of new Object Clause in Memorandum of Association ("MOA") of the Company
31st March 2019	20th September 2019	11.00 a.m.	• Approving of reappointment of following independent Directors for a further tenure 5 years 1) Ms. Anjali Seth 2) Mr. Bhoumick Vaidya 3) Mr. K.V. Mani 4) Mr. Siddharth Shetye 5) 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
31st March 2018	20th September 2018	3 p.m.	• Special Resolution for approving the re-appointment of Mr. Robin Banerjee as Managing Director of the Company for a period of three years starting from 29th April, 2018 till 28th April, 2021 and payment of remuneration to him for the said period • Special Resolution for approving the continuation of Directorship of Mr. K.V. Mani beyond the age of seventy-five years till the completion of his present term of office i.e. up to 25th September, 2019 • Special Resolution for approving Restructuring the terms of repayment schedule of Inter Corporate Deposit (ICD) placed with Bilcare Ltd alongwith interest accrued thereon together with outstanding dues toward supplies of goods made to Bilcare Limited from time to time.

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. 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 deposits. The total amount outstanding as at the year end on account of these transactions aggregates to Rs. 540.31 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 pending for hearing and 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:

  Regulation 29(2) of the SEBI (LODR) Regulations, 2015:
  There was delay in filling intimation regarding notice of Board Meeting held on 9th November 2020 (date of intimation 5th November 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.

- **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 25th June, 2021 in connection with the Audited Annual Accounts for the year ended 31st March, 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 financial year 2020-21 are provided in the Note No 27 to the notes on financial statements

9. General Shareholder Information

Financial Calendar	:	(a) 1st April, 2021 to 31st March, 2022.
		(b) First quarter results by mid of August 2021.
		(c) Second quarter results by mid of November 2021.
		(d) Third quarter results by mid of February 2021.
		(e) Results for the year ending 31st March, 2022 by end May, 2022.
Corporate Identity Number (CIN)	:	L29150MH1946PLC004877
Listing on Stock Exchange	:	BSE Ltd.

The Company has paid the applicable listing fee.

<u>Stock Code</u>

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 01/04/2020 to 31/03/2021) and performance in comparison to BSE Sensex.

Paid up value - Rs. 10/- per Share

Month	Share Price of Caprihans India Ltd.		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
2020				
Apr	39.0	29.1	33,887.3	27,500.8
May	40.0	29.1	32,845.5	29,968.5
June	57.8	35.0	35,706.6	32,348.1
July	54.4	46.6	38,617.0	34,927.2
Aug	67.9	44.8	40,010.2	36,911.2
Sep	60.0	50.1	39,359.5	36,495.0
Oct	68.9	51.3	41,048.1	38,410.2
Nov	80.5	56.1	44,825.4	39,334.9
Dec	89.9	70.6	47,896.0	44,118.1
2021				
Jan	100.0	76.0	50,140.1	46,160.5
Feb	93.9	72.4	52,516.8	46,433.7
Mar	92.0	76.5	51,821.8	48,236.4

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, 2021

Range	No. of Shareholders	% of Total	No. of Shares held	% of Total
1 – 500	6,879	90.8	7,63,271	5.8
501 – 1000	339	4.4	2,79,148	2.1
1001 – 2000	178	2.4	266743	2.0
2001 – 3000	53	0.7	131821	1.0
3001 – 4000	28	0.4	99262	0.8
4001 – 5000	20	0.3	94709	0.7
5001 – 10000	34	0.4	246042	1.9
Over 10000	48	0.6	11252975	85.7
TOTAL	**7579**	**100.0**	**13133971**	**100.0**

Shareholding pattern as on 31st March, 2021

Sl No	Type of shareholders	No. of shares held	% of Total
1	**Promoters**		
	Foreign	66,98,325	51.0
	Indian	27,13,430	20.7
2	Financial Institutions, Insurance Companies & Banks	4,83,370	3.7
3	Mutual fund/s	1,816	0.0
4	Non-resident Indians	54,224	0.4
5	Domestic Companies	1,19,991	0.9
6	Individuals/HUF/Trusts/Others	29,81,343	22.7
7	IEPF	81,472	0.6
	TOTAL	**1,31,33,971**	**100.0**

Dematerialisation of shares and liquidity

As directed by SEBI, Company's shares are traded compulsorily in dematerialised form from 28th August, 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 31st March, 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. 2,00,004/- of unpaid / unclaimed dividends of the financial year 2012-13 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

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.

caprihans
INDIA LIMITED

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 31st March, 2021.

For CAPRIHANS INDIA LIMITED

Place : Mumbai
Dated : 25th June, 2021

ROBIN BANERJEE
Managing Director

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 31st March, 2021, 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: F006099C000512374

Place : Pune
Date : 25th June 2021

Certificate Under Regulation 34(3) 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 and according to our examination of the relevant records and information provided by CAPRIHANS INDIA LIMITED (‘the Company’) and based on representation made by the Management of the Company for the period from 1st April, 2020 to 31st March, 2021 for 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 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 for the period from 1st April, 2020 to 31st March, 2021

For Mayank Arora & Co.
Company Secretaries

Mayank Arora
(Proprietor)
Membership No: F10378
COP No: 13609
UDIN: F010378C000364138

Place : Mumbai
Date : 24th May 2021

Annexure II A

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

Name of the Director	Mr. Narendra S. Lodha
DIN	00318630
Date of Birth	10th November 1963
Date of first appointment	22nd September 2017
Qualifications	Chartered Account and Company Secretary
Expertise in specific functional areas and experience	Mr. Narendra Lodha was associated with M/S Khandelwal Jain & Co. prior to joining Kalpataru group in 1988. Over the years he has lead various functions like Account, Finance, Sales & Marketing and Business Development. He is currently part of leadership team at Kalpataru and is the Director of Sales and Marketing. In last three decades Mr. Narendra Lodha has played various strategic role in field of finance where he was responsible for raising debt and equity funds for the project. He has played pivotal role in various mergers and acquisition the group undertook in past. He has also overlooked various project level private equity deals which Kalpataru group had executed. In recent years he has been deeply involved with sales and marketing function of the group and also responsible for the business development function and overseeing various development projects which group undertakes.
Directorships held in other Companies (Excluding Private Companies)	AMBER REAL ESTATE LIMITED SAICHARAN PROPERTIES LIMITED DYNACRAFT MACHINE COMPANY LIMITED
Committee positions held in other companies	None
Number of Equity shares held in the Company	Nil

Annexure III to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Caprihans is one of the largest manufacturers of PVC Films, consisting of both Flexible and Rigid. The company is one of the leading players in pharma/non pharma packaging industry in India, producing high quality products. The Company operates from its two plants located at Thane and Nasik, 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.

The Company is engaged in the processing of plastic polymers and manufactures PVC films by calendering 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 7-10% annually under normal business environment.

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

OPPORTUNITIES, THREATS AND OUTLOOK

COVID - 19 pandemic has created an uncertain and unprecendented business environment globally. It has destructively impacted almost all sectors creating disbalance in demand and supply situations. Packaging Industries is not an exception to it. Company's business for pharma and other essentials items packaging is largely unaffected. However the industry experienced shortage of key raw materials globally due to shut down of major EDC (Ethyln Dichloride) and VCM (Vinyl Chrolide Monomer) plants affecting the major global Resin manufacturers leading to enforcement of force majure clause and long maintainence unplanned shut downs. As a result of overall uncertainities in global Resin sources, there was unprecedented raw material price hike.

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 belonging mostly in unorganised sector. However, Company always remained as a preferred vendor in the respective segments being a quality and better yield supplier.

Consistent quality, superior customer service, timely delivery and appropriate pricing we believe, will help us to mitigate some portion of the potential risks.

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. Domestic supply is not adequate to meet the rising demand. Hence imports are made to fulfil resin requirements which is subjected to fluctuating prices, forex risks, logistics issues, import-duty and anti dumping regulations.

Owing to ongoing COVID – 19 pandemic, the Company forsees 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 297 crores, as compared to Rs. 289 crores in the previous year. The Company earned a profit before tax of Rs. 26.0 crores as compared to Rs. 12.0 crores in the previous year.

The raw material prices volatility significantly during the financial year. This resulted in margin fluctuations from time to time.

Company's Financial position for ten (10) years is appended seperately 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 31st March, 2021 was 361 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

Due to increase in profits, the Return on Net Worth in the current financial year is 12.9% as compared to 6.9% 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 normally 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 : **www.caprihans.india.com/Policy**
2.	The Composition of the CSR Committee as on 31.03.2021	1. Mr. Bhoumick S Vaidya - Chairman 2. Mr. Robin Banerjee - Member 3. Ms. Anjali Seth - Member
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. 748.37 lakhs
6.	**Prescribed CSR expenditure**	
	(a) Two percent of average net profit of the company as per section 135(5)	Rs. 14.97 lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(c) Amount required to be set off for the financial year, if any	Nil
	Total CSR obligation for the FY 2020-21 (a+b-c)	**Rs. 14.97 lacs**
7.	Details of CSR spent during the financial year	
	(1) Amount spent during F.Y. 2020-21	Rs. 4.17 lakhs
	(2) Amount unspent, if any As on 31/03/2021	Rs. 10.80 lakhs
	(3) Amount transferred to unspent CSR Account and date of transfer	Rs. 10.80 lacs on 23.03.2021

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>Contribution to Bhupendra Charitable Trust</u>** The Company during the year has made contribution to the Corpus of Bhupendra Charitable Trust for using the amount on the following activities. • Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, • Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, • Rural development 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 maintainence 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 has undertaken the project of building boys hostel and improving the infrastructure of the School. The same is delayed owing to lockdown
(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 seperate unspent CSR account

Annexure V to the Directors' Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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 2020 to 31st March 2021, 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 2021, 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 2021 according to the provisions of the following list of laws and regulations. These documents were examined on computer using audio visual means because of the lockdown. The documents provided to us were treated as final for verification purposes as per the declaration given by the Management of the Company. The physical verification of certain documents was not possible due to lockdown condition in India during the Audit period. The following are 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 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, 1992;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable for the period under review);

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (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); and

   (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable for the period under review);

   (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, 1998 (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.

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 alteration of object clause in Memorandum of Association by inserting clause 4B after sub clause 4A of clause III of the Memorandum of Association of Company for which necessary compliances has been completed by the Company.

We further report that during the year under review, the Company has 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
Partner

Place : Pune
Date : 25th June 2021

FCS No.: 6099
CP No.: 6515
PR No.: 1164/2021
UDIN: F006099C000512275

'Annexure A'

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

Place : Pune
Date : 25th June 2021

FCS No.: 6099
CP No.: 6515
PR No.: 1164/2021
UDIN: F006099C000512275

Financial Position at a Glance

(Rupees in lacs)

	31.03.2012	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
WE OWNED										
Fixed Assests	2098.18	1968.46	1726.49	1613.42	1765.78	1707.57	1909.54	2157.54	1998.60	2006.75
Investments	—	—	—	—	—	—	—	—	—	—
Inventories	2961.88	2788.41	3666.79	2749.63	3769.20	3584.67	3928.18	3693.42	5474.40	5646.71
Receivables	5263.05	6303.34	5736.25	6061.60	5259.73	5261.32	6373.33	7335.33	6879.25	7660.97
Liquid Funds	1226.73	1747.69	2076.38	3106.04	3766.88	3244.84	2683.36	1878.59	2745.28	3782.31
Advances	1519.72	1223.45	1302.00	1531.27	1784.85	1763.19	1477.61	1257.72	1161.72	1289.37
	13069.56	**14031.35**	**14507.91**	**15061.96**	**16346.44**	**15561.59**	**16372.02**	**16322.60**	**18259.25**	**20386.11**
WE OWED										
Institutional Loans	—	—	—	—	—	—	—	—	—	—
Other Loans	—	—	—	—	—	—	—	—	—	—
Payable & Provisions	2636.35	3224.04	3405.68	3518.29	4387.30	2811.32	3434.26	3256.71	4405.79	4490.52
Dividend & Tax	228.97	230.49	230.49	237.12	237.12	237.12	237.51	118.75	—	—
	2865.32	**3454.53**	**3636.17**	**3755.41**	**4624.42**	**3048.44**	**3671.77**	**3375.46**	**4405.79**	**4490.52**
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	8890.84	9263.42	9558.34	9993.15	10408.82	11436.87	11624.36	11752.49	12540.06	14582.19
Dividend & Tax - Proposed	—	—	—	—	—	(237.12)	(237.51)	(118.75)	—	—
	10204.24	**10576.82**	**10871.74**	**11306.55**	**11722.22**	**12513.15**	**12700.25**	**12947.14**	**13853.46**	**15895.59**
	13069.56	**14031.35**	**14507.91**	**15061.96**	**16346.64**	**15561.59**	**16372.02**	**16322.60**	**18259.25**	**20386.11**
What We Earned and Spent										
EARNINGS	**21467.00**	**24518.59**	**27210.58**	**27612.55**	**26765.46**	**25949.32**	**25799.23**	**27245.70**	**29435.75**	**30436.50**
OUTGOINGS:										
Materials	13411.17	15252.57	17532.01	17245.08	15618.33	15707.16	17032.98	19118.74	19491.95	19641.89
Excise	1617.75	2145.41	2373.96	2437.76	2343.68	2275.89	591.81	—	—	—
Expenses	5032.86	5737.42	6140.94	6497.81	6718.95	6352.41	7236.27	7331.08	8382.50	7809.77
Depreciation	349.39	420.12	353.26	344.67	352.68	342.88	338.01	335.25	379.92	361.99
Trf. From revaluation reserve	(12.00)	(76.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	20399.17	**23479.52**	**26400.17**	**26525.32**	**25033.64**	**24678.34**	**25199.07**	**26785.07**	**28254.37**	**27813.65**
Profit before extraordinary items & tax	1067.83	1039.07	810.41	1087.23	1731.82	1270.98	600.16	460.63	1181.38	2622.85
Extraordinary income/(expense)	—	—	—	—	(682.03)	223.06	—	—	—	—
Tax Provision	354.00	360.00	285.00	382.00	397.00	514.61	175.55	95	275.08	580.71
Net Profit	713.83	679.07	525.41	705.23	652.79	979.43	424.61	365.63	906.30	2042.14
Dividend & Tax	228.97	230.49	230.49	237.12	237.12	237.12	237.51	118.75	0.00	0.00
	484.86	**448.58**	**294.92**	**468.11**	**415.67**	**742.31**	**187.10**	**246.88**	**906.30**	**2042.14**

Independent Auditor's Report

TO THE MEMBERS OF

CAPRIHANS INDIA LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Caprihans India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and Notes to the Ind AS financial statements, including a Summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Ind AS financial statements.

Emphasis of Matter

We draw your attention to Note 38 of the accompanying financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and their assessment of liquidity for next one year and of the recoverability and carrying value of its assets comprising of tangible assets, inventories and other current assets as at the Balance sheet date. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the Ind AS 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. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Revenue recognition *(as described in Note 2.2(xi) of the Ind AS 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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>• 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.</td></tr>
<tr><td colspan="2"><u>Receivables from related parties</u> (as described in Note 33 of the Ind AS financial statements)</td></tr>
<tr><td>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. 245.74 lacs, 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. 540.31 lacs, 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.</td><td>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.</td></tr>
</table>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 control 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 with reference to financial statements 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements for the financial year ended March 31, 2021 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) The matter described in Emphasis of Matter para above, in our opinion, may have an adverse effect on the functioning of the Company;

f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

h) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

i) 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, as amended 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 Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Kaushal Mehta
Partner
Membership Number: 111749
ICAI UDIN: 21111749AAAAEJ3787

Place: Mumbai
Date: June 25, 2021

Annexure ‘1’ to The Independent Auditor’s Report

(Referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of our report to the members of Caprihans India Limited of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ investment property are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2021 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (“the Act”), during the year. Accordingly, the provisions of clause 3(iii) (a) of the Order are not applicable to the Company and hence not commented upon.

(b) In respect of loan granted in earlier years, to a Company covered in the register maintained under section 189 of the Act, the repayment of principal amount was not made as stipulated and the payment of interest was not due as at the year end in accordance with the revised repayment schedule.

(c) As per the revised repayment schedule, there are no amounts which are overdue for more than ninety days in respect of loans granted to a company covered under section 189 of the Act. Also refer note 33 of the financial statements.

(iv) In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which the provisions of section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.

(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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues wherever applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, customs duty, excise duty, goods and service tax and cess on account of any dispute, are as follows:

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

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

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the Company and hence not commented upon.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi company and accordingly the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Accounting Standards except for transactions with Bilcare Limited aggregating to Rs. 161.00 lacs, where the recoveries are not as per stipulated terms.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

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

Kaushal Mehta
Partner
Membership Number: 111749
ICAI UDIN: 21111749AAAAEJ3787

Place: Mumbai
Date: June 25, 2021

Annexure 2 to The Independent Auditor's Report of even date on the Financial Statements of Caprihans India Limited

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

Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Opinion

We have audited the internal financial controls over financial reporting with reference to the financial statements of Caprihans India Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, 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. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 judgement, including the assessment of the risks of material misstatement of the 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 internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements.

A Company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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
ICAI Firm Reg. No.: 101048W

Kaushal Mehta
Partner
Membership Number: 111749
ICAI UDIN: 21111749AAAAEJ3787

Place: Mumbai
Date: June 25, 2021

caprihans INDIA LIMITED

BALANCE SHEET AS AT 31 MARCH 2021

Particulars	Notes	As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	1,836.56	1,827.35
(b) Capital work-in-progress	3	41.97	31.70
(c) Investment property	4	63.11	66.28
(d) Intangible assets	5	65.11	73.27
(e) Financial assets			
(i) Loans	6	4.88	2.11
(ii) Other financial assets	7	465.00	463.97
(f) Deferred tax assets (net)	29	383.43	310.33
(g) Income tax assets (net)	12	27.10	40.17
(h) Other non-current assets	8	90.12	86.75
Total non-current assets		**2,977.28**	2,901.93
II. Current assets			
(a) Inventories	9	5,646.71	5,474.40
(b) Financial assets			
(i) Trade receivables	10	7,660.97	6,879.25
(ii) Cash and cash equivalents	11	1,389.61	524.02
(iii) Bank balance other than (ii) above	11	2,392.70	2,221.27
(iv) Loans	6	9.61	10.69
(v) Others financial assets	7	76.65	65.08
(c) Income tax assets (net)	12	–	29.38
(d) Other current assets	13	232.59	153.23
Total current assets		**17,408.84**	15,357.32
Total assets		**20,386.11**	18,259.25
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	7,509.92	5,467.79
Total equity		**15,895.59**	13,853.46
LIABILITIES			
I. Non-current liabilities			
(a) Provisions	18	268.39	243.39
Total non-current liabilities		**268.39**	243.39
II. Current liabilities			
(a) Financial liabilities			
(i) Trade and other payables			
(a) Outstanding dues of micro and small enterprises	17	155.16	121.06
(b) Outstanding dues other than micro and small enterprises	17	3,254.65	3,598.25
(ii) Other financial liabilities	16	30.14	21.23
(b) Other current liabilities	19	128.70	222.09
(c) Provisions	18	97.82	110.82
(d) Current tax liabilities (net)	12	555.66	88.95
Total current liabilities		**4,222.13**	4,162.40
Total liabilities		**4,490.52**	4,405.79
Total equity and liabilities		**20,386.11**	18,259.25
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 : June 25, 2021

ROBIN BANERJEE
Managing Director
DIN: 00008893

Place : Mumbai
Date : June 25, 2021

SIDDHARTH S. SHETYE
Director
DIN: 06943119

Place : Pune
Date : June 25, 2021

PRITAM PAUL
CFO & Company Secretary
FCS Membership No. 5861

Place : Mumbai
Date : June 25, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Notes	Year ended 31 March 2021 INR lacs	Year ended 31 March 2020 INR lacs
Income			
Revenue from operations			
Revenue from contracts with customers	20	**29,125.63**	28,688.25
Other operating income	20	**530.57**	256.35
Revenue from operations		**29,656.20**	28,944.60
Other income	21	**780.30**	491.15
Total income (I)		**30,436.50**	29,435.75
Expenses			
Cost of raw materials and components consumed	22	**19,426.44**	19,491.95
Purchase of Traded Goods	22	**215.45**	—
(Increase) / decrease in inventories of finished goods and work-in-progress	23	**358.25**	(86.11)
Employee benefits expense	24	**2,576.50**	2,675.01
Finance costs	25	**90.33**	80.06
Depreciation and amortisation expense	26	**361.99**	379.92
Other expenses	27	**4,811.00**	5,695.62
Total expenses (II)		**27,839.96**	28,236.45
Exceptional items [Income / (Expense)]			
Profit before exceptional items and tax (I-II)		**2,596.54**	1,199.30
Profit before tax		**2,596.54**	1,199.30
Tax expense			
Current tax	29	**710.48**	374.51
Adjustment of tax relating to earlier years	29	**(63.30)**	(110.35)
Deferred tax charge/(credit)	29	**(73.09)**	15.43
Total tax expense		**574.09**	279.59
Profit for the year		**2,022.45**	919.71
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	**26.31**	(17.92)
Income tax effect	29	**(6.62)**	4.51
		19.69	(13.41)
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods		**19.69**	(13.41)
Total other comprehensive loss for the year, net of tax		**19.69**	(13.41)
Total comprehensive income for the year, net of tax		**2,042.14**	906.30
Profit for the year		**2,022.45**	919.71
Total comprehensive income for the year		**2,042.14**	906.30
Earnings per share [nominal value per share 31 March 2021 : INR 10/- (31 March 2020: INR 10/-)]			
Basic and diluted		**15.40**	7.00
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 : June 25, 2021

ROBIN BANERJEE
Managing Director
DIN: 00008893

Place : Mumbai
Date : June 25, 2021

SIDDHARTH S. SHETYE
Director
DIN: 06943119

Place : Pune
Date : June 25, 2021

PRITAM PAUL
CFO & Company Secretary
FCS Membership No. 5861

Place : Mumbai
Date : June 25, 2021

STATEMENT OF CASH FLOW THE YEAR ENDED 31 MARCH 2021

Particulars	Year ended 31 March 2021 INR lacs	Year ended 31 March 2020 INR lacs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**2,596.54**	1,199.30
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	**361.99**	379.92
Loss/(Profit) on disposal of property, plant & equipment and investment property	**5.14**	(193.94)
Bad debts and provision for doubtful debts	**181.58**	207.11
Foreign exchange differences	**5.02**	(17.88)
Finance costs	**90.33**	80.06
Finance income	**(591.99)**	(173.46)
Provision written back	**(180.00)**	(25.09)
Working capital adjustments		
(Increase)/Decrease in trade receivables	**(782.25)**	279.76
(Increase)/ Decrease in inventories	**(172.31)**	(1,780.98)
(Increase) / Decrease in loans and other financial assets	**(4.86)**	4.71
(Increase) in other non-current assets	**—**	(0.78)
(Increase)/Decrease in other current assets	**(79.36)**	81.49
(Decrease / Increase in trade and other payables	**(319.24)**	1,071.49
Increase/(Decrease) in financial liabilities	**8.91**	(3.93)
(Decrease)/Increase in other current liabilities	**(93.39)**	111.84
Increase in provisions	**38.31**	3.97
Net cash generated from/(used in) operations	**1,064.42**	1,223.59
Income taxes paid	**(144.65)**	(233.51)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**919.77**	990.08
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	**—**	205.95
Interest received	**582.58**	160.49
Purchase of property, plant and equipment and intangible assets	**(378.65)**	(288.03)
Maturity of /(investment in) bank deposits - net	**(170.37)**	(1,000.40)
NET CASH (USED IN) /GENERATED FROM INVESTING ACTIVITIES	**33.56**	(921.99)
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost	**(86.65)**	(80.06)
Final dividend paid	**—**	(98.50)
Tax on final dividend paid	**—**	(20.24)
NET CASH (USED IN) FINANCING ACTIVITIES	**(86.65)**	(198.80)
Net (decrease)/increase in cash and cash equivalents	**866.68**	(130.71)
Cash and cash equivalents at the beginning of the year	**510.79**	641.50
Cash and cash equivalents at the end of the year	**1,377.47**	510.79
Components of cash and cash equivalents		
Cash on hand	**3.01**	3.61
Balance with banks		
Current accounts	**324.27**	239.19
Deposits with original maturity of less than three months	**1,049.86**	267.00
Remittances in transit	**0.33**	0.99
Total cash and cash equivalents (refer note 11)	**1,377.47**	510.79

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

per Kaushal Mehta
Partner
Membership No.: 111749

Place : Mumbai
Date : June 25, 2021

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

ROBIN BANERJEE
Managing Director
DIN: 00008893
Place : Mumbai
Date : June 25, 2021

SIDDHARTH S. SHETYE
Director
DIN: 06943119
Place : Pune
Date : June 25, 2021

PRITAM PAUL
CFO & Company Secretary
FCS Membership No. 5861
Place : Mumbai
Date : June 25, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. of Shares (in lacs)	INR lacs
At 31 March 2020	131.34	1,313.40
At 31 March 2021	**131.34**	**1,313.40**

B. Other equity

Attributable to the equity holders of the Company

Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
	Note 15	Note 15	Note 15	
As at 1 April 2019	**6,497.27**	**560.00**	**4,695.22**	**11,752.49**
Profit for the year	—	—	919.71	919.71
Other comprehensive income for the year	—	—	(13.41)	(13.41)
Total comprehensive income for the year	—	—	906.30	906.30
Final dividend for the year ended 31 March 2019	—	—	(98.50)	(98.50)
Tax on final dividend for the year ended 31 March 2019	—	—	(20.24)	(20.24)
Transfer from retained earnings	—	15.00	—	15.00
Transfer to general reserve	—	—	(15.00)	(15.00)
As at 31 March 2020	**6,497.27**	**575.00**	**5,467.78**	**12,540.05**
Profit for the year	—	—	2,022.45	2,022.45
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

per Kaushal Mehta
Partner
Membership No.: 111749

Place : Mumbai
Date : June 25, 2021

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

ROBIN BANERJEE
Managing Director
DIN: 00008893
Place : Pune
Date : June 25, 2021

SIDDHARTH S. SHETYE
Director
DIN: 06943119
Place : Pune
Date : June 25, 2021

PRITAM PAUL
CFO & Company Secretary
FCS Membership No. 5861
Place : Mumbai
Date : June 25, 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 25 June 2021.

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 2021

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 2021

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 2021

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.

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 2021

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 2021

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.

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 2021

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.

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

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 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

Several other amendments apply for the first time for the year ended 31 March 2021, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/ notified.

i. Ind AS 103 - Business Combinations:

The definition of the term “business” has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii. Ind AS 107 - Financial Instruments: Disclosures:

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii. Ind AS 109 - Financial Instruments:

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by ‘interest rate benchmark reform’. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv. Ind AS 116 - Leases:

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v. Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):

The definition of the term “material” has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of “material”, certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.

There was no impact on the financial statements of the Company on adoption of this amendment for the year.

vi. Standards issued but not yet effective:

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Company and expected to have any material impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (INR lacs)

	Land Leasehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Total
At Cost							
As at 1 April 2019	**2.28**	**343.71**	**2,516.28**	**61.49**	**11.49**	**157.77**	**3,093.02**
Additions	—	0.72	198.68	1.61	—	8.81	209.82
Disposals	—	—	—	0.26	8.97	2.28	11.51
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**
Depreciation							
As at 1st April 2019	**0.17**	**92.36**	**890.62**	**27.05**	**8.45**	**120.72**	**1,139.37**
Depreciation for the year	0.04	23.18	281.58	9.15	0.27	19.67	333.89
Disposals	—	—	—	0.25	6.94	2.09	9.28
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**
Net book value							
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 2021 is INR 41.97 lacs (31 March 2020: INR 31.70 lacs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 4 : INVESTMENT PROPERTY (INR lacs)

	Building
Cost	
As at 1 April 2019	**96.50**
Additions	—
Disposals	11.80
As at 31 March 2020	**84.70**
Additions	—
Disposals	—
As at 31 March 2021	**84.70**
Depreciation	
As at 1 April 2019	**16.77**
Depreciation for the year	3.65
Disposals	2.00
As at 31 March 2020	**18.42**
Depreciation for the year	3.17
Disposals	—
As at 31 March 2021	**21.59**
Net Book value	
As as 31 March 2021	63.11
As at 31 March 2020	66.28

Notes:

(i) **Information regarding income and expenditure of investment property**

	31 March 2021 INR lacs	31 March 2020 INR lacs
Rental income derived from investment properties	—	0.06
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**	8.83
(Loss)/Profit arising from investment properties before depreciation and indirect expenses	**(2.72)**	(8.77)
Less : Depreciation	**3.17**	3.65
(Loss)/Profit arising from investment properties before indirect expenses	**(5.89)**	(12.42)

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

As at 31 March 2021 and 31 March 2020, 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 2021

NOTE 4 : INVESTMENT PROPERTY (Contd.)

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

Fair value	**Building**
	INR lacs
Balance as at 1 April 2019	**1,119.62**
Fair value movement for the year	(60.42)
Sales at fair value	(200.00)
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**

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

Particulars	**Valuation techniques**	**Fair value hierarchy**	**Fair Value**	
			31 March 2021	**31 March 2020**
			INR lacs	**INR lacs**
Flat at Bandra (West), Mumbai	Fair market value	Level 2	**878.16**	859.20

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 1 April 2019	**300.12**	**300.12**
Additions	4.01	4.01
Write Off	—	—
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**
Amortisation		
As at 1 April 2019	188.48	188.48
Amortisation for the year	42.38	42.38
Deductions	—	—
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**
Net Block		
As at 31 March 2021	65.11	65.11
As at 31 March 2020	73.27	73.27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 6 : LOANS

Particulars	As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
Non-current		
Loans (unsecured)		
— To employees (considered good)	**4.88**	2.11
— To related party (credit impaired) (refer note 33)	**—**	57.50
	4.88	59.61
Less: Provision for credit impaired loans	**—**	(57.50)
Total loans	**4.88**	2.11
Current		
Loans (unsecured)		
— To employees (considered good)	**9.61**	10.69
— To related party (credit impaired) (refer note 33)	**97.50**	130.00
	107.11	140.69
Less: Provision for credit impaired loans	**(97.50)**	(130.00)
Total loans	**9.61**	10.69
Total Loans	**14.48**	12.80

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.

NOTE 7 : OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
Non-current (unsecured considered good unless otherwise specified)		
Security deposits	**168.79**	166.06
Interest accrued on deposits	**1.54**	2.17
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	**48.93**	50.00
Interest accrued on intercorporate deposits (credit impaired) (refer note 33)	**281.81**	238.72
	746.80	702.69
Less: Provision for credit impaired assets	**(281.81)**	(238.72)
Total Non-current financial assets	**465.00**	463.97
Current (unsecured considered good unless otherwise specified)		
Interest accrued on deposits	**76.65**	65.08
Interest accrued on intercorporate deposits (refer note 33)	**—**	—
	76.65	65.08
Less: Provision for credit impaired assets		—
Total current financial assets	**76.65**	65.08
Total other financial assets	**541.65**	529.05

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 7 : OTHER FINANCIAL ASSETS (Contd.)

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 2021 of INR 14.70 lacs (31 March 2020 of INR 14.70 lacs) from KL on account of delay in realisation.

NOTE 8 : OTHER NON-CURRENT ASSETS

Particulars	**As at 31 March 2021 INR lacs**	As at 31 March 2020 INR lacs
Capital advances (unsecured considered good)	**84.75**	81.38
Prepaid expenses (unsecured considered good)	**5.37**	5.37
Total	**90.12**	86.75

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 2021 INR lacs**	As at 31 March 2020 INR lacs
Raw materials		
Raw materials and components	**3140.18**	1969.59
Raw materials in transit	**1553.82**	2213.48
Work-in-progress	**64.29**	120.30
Finished goods	**693.53**	991.48
Stores and spares parts	**102.82**	109.16
Packing materials and fuel	**66.99**	41.01
Scrap	**25.09**	29.38
Total	**5,646.71**	5,474.40

NOTE 10 : TRADE RECEIVABLES

Particulars	**As at 31 March 2021 INR lacs**	As at 31 March 2020 INR lacs
Unsecured		
Trade receivables- others (considered good)	**7,660.97**	6,879.25
Trade receivables- others (credit impaired)	**707.07**	547.42
Trade receivables- related parties (credit impaired) (refer note 33)	**161.00**	251.00
Total trade receivables	**8,529.03**	7,677.67
Less: Provisions for credit impaired		
Trade receivables- others	**(707.07)**	(547.42)
Trade receivables- related parties	**(161.00)**	(251.00)
Total provision for credit impaired	**(868.07)**	(798.42)
Total trade receivables (current)	**7,660.97**	6,879.25

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 2021

NOTE 11 : CASH AND BANK BALANCES

Particulars	**As at 31 March 2021 INR lacs**	As at 31 March 2020 INR lacs
Cash and cash equivalents		
Balance with banks		
Current accounts	**324.27**	239.19
Unpaid dividend accounts	**12.14**	13.23
Deposits with original maturity of less than three months	**1,049.86**	267.00
Remittances in transit	**0.33**	0.99
Cash on hand	**3.01**	3.61
Total cash and cash equivalents	**1,389.61**	524.02
Other bank balances		
Deposits with remaining maturity of less than 12 months	**2,124.04**	1,966.53
Margin money deposits	**268.66**	254.74
	2,392.69	2,221.27
Total	**3,782.31**	2,745.29

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.

The Company has earmarked two fixed deposits of INR 25 lacs each towards creation of sinking fund for operational purpose.

Financial assets carried at amortised cost

Particulars	**As at 31 March 2021 INR lacs**	As at 31 March 2020 INR lacs
Loans (Note 6)	**14.48**	12.80
Other financial assets (Note 7)	**541.65**	529.05
Trade receivables (Note 10)	**7,660.97**	6,879.25
Cash and bank balances (Note 11)	**3,782.31**	2,745.29
Total	**11,999.40**	10,166.39

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

Particulars	**As at 31 March 2021 INR lacs**	As at 31 March 2020 INR lacs
Provision for taxation	**555.66**	88.95
Income tax receivables (net of provision)	**27.10**	69.55
Total Current tax liabilities (net)	**528.56**	19.40
Total Current tax asset (net)	**—**	—
Non-current tax assets	**27.10**	40.17
Current tax assets	**—**	29.38
Current tax liabilities (net)	**(555.66)**	(88.95)
Total	**(528.56)**	(19.40)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 13 : OTHER CURRENT ASSETS

Particulars	As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
Unsecured considered good		
– Advances recoverable	**27.58**	34.41
– Balances with GST authorities	**153.30**	92.74
– Prepaid expenses	**51.71**	26.08
Total	**232.59**	153.23

NOTE 14 : SHARE CAPITAL

Authorised share capital

Equity shares of INR 10 each

Particulars	No. of shares	INR lacs
At 1 April 2019	20,000,000	2,000.00
Increase/(decrease) during the year	—	—
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**

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 2021 (31 March 2020 : 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 1 April 2019	13,133,971	1,313.40
Changes during the year	—	—
At 31 March 2020	13,133,971	1,313.40
Changes during the year	—	—
At 31 March 2021	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	As at 31 March 2021		As at 31 March 2020	
	No. of shares	**INR lacs**	No. of shares	INR lacs
Bilcare Mauritius Limited (w.e.f. 7 November 2019)				
Equity shares of INR 10 each	**6,698,325**	**669.83**	6,698,325	669.83
Equity share holding (%)		**51.00%**		51.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021		As at 31 March 2020	
	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%
Bilcare Research GmbH - (Holding Company) (upto 7 November 2019)			—	—
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%

NOTE 15 : OTHER EQUITY

NOTE 15.1 OTHER RESERVES

Particulars	Securities premium INR lacs	General reserve INR lacs	Retained earnings INR lacs
As at 1 April 2019	6,497.27	560.00	4,695.22
Add: Profit for the year	—	—	919.71
Add: Other comprehensive income for the year	—	—	(13.41)
Balance available for appropriation	6,497.27	560.00	5,601.52
Less : Appropriations			
Transferred to general reserve	—	—	15.00
Add: Transfer from retained earnings	—	15.00	—
Final dividend for the year ended 31 March 2019	—	—	98.50
Tax on dividend	—	—	20.24
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	—	—	19.89
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**

Other reserves

Particulars	As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
Securities premium	**6,497.27**	6,497.27
General reserve	**575.00**	575.00
Retained earnings	**7,509.92**	5,467.78
Total other reserves	**14,582.19**	12,540.05

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 15.2 DISTRIBUTIONS MADE AND PROPOSED

Particulars	As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
Cash dividends on equity shares declared and paid		
Final dividend for the year ended 31 March 2020: NIL (31 March 2019: INR 0.75 per share)	—	98.50
Dividend distribution tax on final dividend	—	20.24
	—	118.74
Proposed dividends on equity shares		
Final cash dividend proposed for the year ended 31 March 2021 : Nil (31 March 2020: NIL)	—	—
	—	—

NOTE 16 : OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
Current		
Financial liabilities at amortised cost		
Deposits from customers and others	**18.00**	8.00
Unclaimed dividends	**12.14**	13.23
Total financial liabilities at amortised cost	**30.14**	21.23
Total current other financial liabilities	**30.14**	21.23
Total other financial liabilities	**30.14**	21.23

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 2021 INR lacs	As at 31 March 2020 INR lacs
Trade Payables (Note 17)	**3,409.81**	3,719.31
Other financial liabilities (Note 16)	**30.14**	21.23
Total financial liabilities carried at amortised cost	**3,439.95**	3,740.54

NOTE 17 : TRADE AND OTHER PAYABLES

Particulars	As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
Trade payables - current		
Outstanding dues of micro and small enterprises (refer note 35)	**155.16**	121.06
Outstanding dues other than micro and small enterprises	**3254.65**	3,598.25
Total current trade payables	**3,409.81**	3,719.31

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 18 : PROVISIONS

Particulars		As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
Non-current			
Employee benefit obligations:			
Compensated absences		**268.39**	243.39
Total non-current employee benefit obligations	(a)	**268.39**	243.39
Current			
Employee benefit obligations:			
Compensated absences		**86.30**	56.00
Gratuity		**11.52**	54.82
Total current employee benefit obligations	(b)	**97.82**	110.82
Total Provisions	(a + b)	**366.22**	354.21

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	As at 31 March 2021 INR lacs	As at 31 March 2020 INR lacs
Advance from customers	**73.85**	33.69
Other payables		
Statutory dues including provident fund and tax	**16.82**	150.35
Tax deducted at source	**25.48**	24.58
Sales tax		—
Others	**12.55**	13.47
Total other liabilities	**128.70**	222.09
Total	**128.70**	222.09

NOTE 20 : REVENUE FROM OPERATIONS

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Revenue from contracts with customers		
Sale of products	**29,125.63**	28,688.25
	29,125.63	28,688.25
Other operating income		
Sale of scrap	**113.91**	131.20
Sale of raw material	**225.41**	71.95
Processing charges	**191.25**	0.05
Income from exports scheme	**—**	53.15
	530.57	256.35
Total	**29,656.20**	28,944.60

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021 INR lacs**	31 March 2020 INR lacs
Revenue as per contracted price	**29308.16**	28906.15
Adjustments		
Discounts	**(29.13)**	(52.73)
Sales return	**(153.41)**	(165.17)
Revenue from contract with customers	**29,125.63**	28,688.25

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 2021 INR lacs**	31 March 2020 INR lacs
Interest		
On bank deposits	**195.38**	140.11
On others*	**396.61**	33.35
Rent received	**0.84**	0.90
Exchange differences (net)	**12.75**	22.55
Provision no longer required	**180.00**	100.10
Miscellaneous income	**(0.14)**	0.20
Profit on sale of property, plant and equipment and investment property**	**(5.14)**	193.94
Total	**780.30**	491.15

* *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.*

** *Profit on sale of property, plant and equipment of the previous year ended March 31, 2020, included profit of Rs. 190.16 lacs from sale of one investment property at a consideration of Rs. 200 lacs to a non related party.*

NOTE 22 : COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	**31 March 2021 INR lacs**	31 March 2020 INR lacs
Inventory at the beginning of the year (including goods in transit)	**4,183.08**	2,475.26
Add : Purchases	**19,937.37**	21,199.77
	24,120.45	23,675.03
Less : Inventory at the end of the year (including goods in transit)	**(4,694.00)**	(4,183.08)
Total	**19,426.44**	19,491.95

Particulars	**31 March 2021 INR lacs**	31 March 2020 INR lacs
Purchase of Traded Goods	**215.45**	—
Total	**215.45**	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Opening inventory		
Work-in-process	**120.30**	82.06
Finished goods	**991.48**	938.24
Scrap	**29.38**	34.75
Closing inventory		
Work-in-process	**64.29**	120.30
Finished goods	**693.53**	991.48
Scrap	**25.09**	29.38
(Increase)/decrease in inventory	**358.25**	(86.11)

NOTE 24 : EMPLOYEE BENEFITS EXPENSE

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Salaries, wages and bonus	**2,277.08**	2,345.38
Gratuity expense (refer note 31)	**37.83**	36.89
Contribution to provident and other funds	**100.89**	106.10
Staff welfare expenses	**160.69**	186.64
Total	**2,576.50**	2,675.01

NOTE 25 : FINANCE COSTS

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Bank charges	**86.63**	80.06
Other Interest Charges	**3.70**	0.00
Total	**90.33**	80.06

NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSE

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Depreciation and amortisation expense		
Depreciation on tangible assets (refer note 3)	**320.65**	333.89
Depreciation on investment properties (refer note 4)	**3.17**	3.65
Amortisation on intangible assets (refer note 5)	**38.16**	42.38
Total	**361.98**	379.92

NOTE 27 : OTHER EXPENSES

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Consumption of stores	**230.30**	258.73
Consumption of packing material	**689.07**	753.40
Sub-contracting expenses	**27.15**	50.77
Power and fuel	**1,796.07**	2,105.43
Freight and forwarding charges	**1,026.81**	1,243.40
Rent	**22.98**	30.97
Rates and taxes	**21.06**	6.79
Insurance	**25.91**	25.78
Repairs and maintenance		
Plant and machinery	**71.69**	94.24
Building	**46.79**	69.62
Others	**15.62**	23.06

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 27 : OTHER EXPENSES (Contd.)

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
CSR expenditure (refer details below)	**4.17**	25.23
Sales commission	**55.34**	112.80
Travelling and conveyance	**77.23**	135.72
Communication costs	**22.82**	30.42
Printing and stationery	**16.64**	21.49
Advertising and sales promotion	**1.98**	28.99
Legal and professional fees	**133.37**	126.07
Directors sitting fees	**19.00**	22.50
Payment to auditor (refer details below)	**18.60**	30.22
Bad debts and advances written off	**28.20**	3.01
Allowances for doubtful debts and advances (net)	**153.38**	204.09
Miscellaneous expenses	**306.81**	292.89
Total	**4,811.00**	5,695.62

Payment to auditors (net of service tax/GST)

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
As Auditor		
Audit fees	**12.00**	16.00
Limited review fees	**6.5**	10.50
Reimbursement of expenses	**0.10**	3.72
Total	**18.60**	30.22

Details of CSR expenditure:

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Gross amount required to be spent by the Company during the year	**14.97**	26.48

Amount spent during the year ended 31 March 2021

	In cash	Yet to be paid in cash
i) Construction of asset	—	—
ii) On purposes other than (i) above	**4.17**	—

Amount spent during the year ended 31 March 2020

	In cash	Yet to be paid in cash
i) Construction of asset	—	20.50
ii) On purposes other than (i) above	4.73	—

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021		
Re-measurement gains on defined benefit plans	**26.31**	26.31
	26.31	26.31
During the year ended 31 March 2020		
Re-measurement gains on defined benefit plans	**(17.92)**	(17.92)
	(17.92)	(17.92)

NOTE 29 : INCOME TAX

The note below details the major components of income tax expenses for the year ended 31 March 2021 and 31 March 2020. 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 2021 INR lacs	31 March 2020 INR lacs
Statement of profit and loss		
Current income tax		
Current income tax charge	**710.48**	374.51
Adjustment in respect of current income tax relating to earlier years	**(63.30)**	(110.35)
Deferred tax		
Relating to origination and reversal of temporary differences	**(73.09)**	15.43
Income tax expense reported in the statement of profit and loss	**574.09**	279.60

Other Comprehensive Income (OCI)

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Tax related to items recognised in OCI during the year	**6.62**	(4.51)
Income tax charged to OCI	**6.62**	(4.51)

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 2021 and 31 March 2020.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 29 : INCOME TAX (Contd.)

A) Current tax

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Accounting profit before income tax expense	**2,596.54**	1,199.30
Other comprehensive income before tax	**26.31**	(17.92)
Total comprehensive income before tax	**2,622.85**	1,181.38
Current Tax @ 25.17% (31 March 2020: 25.17%)	**660.17**	297.35
Tax effect of adjustments in calculating taxable income:		
Adjustment of other allowances/disallowances (net)	**(16.16)**	7.74
Income tax adjustments (earlier years)	**(63.30)**	(110.35)
Change in deferred tax due to change in tax rates	**—**	80.35
At the effective income tax rate of 31 March 2021 22.15% (31 March 2020 : 23.29%)	**580.71**	275.09
Income tax effect on OCI	**6.62**	(4.51)
Income tax expenses reported in the statement of profit and loss	**574.09**	279.60
Income tax total	**580.71**	275.09

B) Deferred tax

	Balance sheet		Statement of profit and loss	
Particulars	**31 March 2021 INR lacs**	31 March 2020 INR lacs	**31 March 2021 INR lacs**	31 March 2020 INR lacs
Depreciation	**(34.50)**	(49.35)	**14.85**	39.41
Disallowances u/s 43B of Income Tax Act	**121.42**	98.65	**22.77**	(41.26)
Provision for doubtful debts & advances	**296.50**	261.03	**35.47**	(13.58)
Deferred tax income			**73.09**	(15.43)
Net deferred tax assets	**383.42**	310.33		
Reflected in the balance sheet as follows:				
Deferred tax liabilities	**(34.50)**	(49.35)		
Deferred tax assets	**417.92**	359.68		
Deferred tax assets (net)	**383.42**	310.33		

	31 March 2021 INR lacs	31 March 2020 INR lacs
Reconciliation of deferred tax assets net		
Opening balance	**310.33**	325.76
Tax income during the year recognised in profit or loss	**73.09**	(15.43)
Closing balance	**383.42**	310.33

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 2021 : 25.17% (31 March 2020 25.17%)

NOTE 30 : EARNING 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 2021	31 March 2020
Earning per share (Basic and diluted)		
Profit attributable to owners of the Company (INR in lacs)	**2,022.45**	919.71
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	**15.40**	7.00

* 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.

NOTE 31 : DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of INR 92.19 lakhs pertaining to contribution to PF and ESIC (31 March 2020: INR 95.62 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 2021 : Changes in defined benefit obligation and plan assets

(INR lacs)

		Gratuity cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income						
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 changes in 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)**

Gratuity amount of Rs. 30.01 lacs has became due to be paid in the year 2019-20, however the same has been paid in the year 2020-21.

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

31 March 2020 : Changes in defined benefit obligation and plan assets

(INR lacs)

Particulars	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income						
	1 April 2019	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 changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	**Sub-total included in OCI (note 29)**	**Contributions by employer**	**31 March 2020**
Gratuity												
Defined benefit obligation	(608.12)	(34.11)	(45.40)	(79.51)	50.70	—	(0.01)	(5.33)	4.47	(0.87)	—	(637.80)
Fair value of plan assets	570.87	—	42.62	42.62	(50.70)	(17.05)	—	—	—	(17.05)	37.24	582.98
Benefit liability	**(37.25)**	**(34.11)**	**(2.78)**	**(36.89)**	—	**(17.05)**	**(0.01)**	**(5.33)**	**4.47**	**(17.92)**	**37.24**	**(54.82)**
Total benefit liability	**(37.25)**	**(34.11)**	**(2.78)**	**(36.89)**	—	**(17.05)**	**(0.01)**	**(5.33)**	**4.47**	**(17.92)**	**37.24**	**(54.82)**

C. Other long-term employment benefits

The Company has compensated absences plan which is covered by other long-term employment benefits

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

(INR lacs)

Particulars	**1 April 2020**	Cost charged to statement of profit and loss				**Benefit paid**	**31 March 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	(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)**

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

31 March 2020 : Changes in defined benefit obligation and plan assets of compensated absences

Particulars	1 April 2019	Cost charged to statement of profit and loss: Service cost	Interest cost	Actuarial changes arising from various assumption (net amt)	Sub-total included in statement of profit and loss (note 24)	Benefit paid	31 March 2020
Compensated absences							
Defined benefit obligation	(295.07)	(33.79)	(22.03)	(19.11)	(74.93)	70.62	(299.38)
Benefit liability	**(295.07)**	**(33.79)**	**(22.03)**	**(19.11)**	**(74.93)**	**70.62**	**(299.38)**

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

Particulars	31 March 2021	31 March 2020
Insured managed funds	**652.00**	582.98
(%) 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 2021	31 March 2020
Discount rate	**6.30%**	6.30%
Future salary increase	**10% p.a. for first two consecutive years 6.5% p.a. thereafter**	6.50%
Expected average remaining working lives (in years)		
Gratuity	**16.47 Years**	16.92 Years
Compensated absences	**16.44 Years**	16.92 Years
Withdrawal rate (based on grade and age of employees)		
Gratuity	**5.00%**	5.00%
Compensated absences	**5.00%**	5.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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

Gratuity

		Increase/decrease in defined benefit obligation (Impact)	
Particulars	**Sensitivity level**	**31 March 2021 INR lacs**	31 March 2020 INR lacs
Discount rate	1% increase	**626.98**	572.94
	1% decrease	**704.25**	646.72
Future salary increase	1% increase	**703.40**	646.26
	1% decrease	**627.05**	572.69
Withdrawal rate	increase by 50% of withdrawal rate	**661.74**	606.45
	decrease by 50% of withdrawal rate	**665.58**	609.40
Mortality rate	increase by 10% of mortality rate	**663.49**	607.77
	decrease by 10% of mortality rate	**663.55**	607.81

The sensitivity analyses 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 2021 INR lacs**	31 March 2020 INR lacs
Within the next 12 months (next annual reporting period)		
Gratuity	**137.13**	112.46
Between 2 and 5 years		
Gratuity	**281.38**	251.82
Between 6 and 10 years		
Gratuity	**310.11**	297.02
Beyond 10 years		
Gratuity	**291.36**	290.87
Total expected payments	**1,019.98**	952.17

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

Particulars	**31 March 2021 Years**	31 March 2020 Years
Gratuity	**6 years**	6 years

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

Particulars	**31 March 2021 INR lacs**	31 March 2020 INR lacs
Gratuity	**42.58**	84.75

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 32 : COMMITMENTS AND CONTINGENCIES

a. Capital and other commitments

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**140.65**	166.49

b. Contingent liabilities

Particulars	31 March 2021 INR lacs	31 March 2020 INR lacs
Contingent liabilities not provided for		
a. Demands of Excise authorities which are disputed in appeals by the Company	**62.24**	62.24
b. Other excise notices pending adjudication	**190.50**	190.50
c. Demands of Income tax authorities which are disputed in appeals and not provided for	—	—
d. Claims against the company not acknowledged as debts - estimated	**416.78**	401.48
	669.52	654.22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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. Bhoumik S. Vaidya	Independent Director
Late Mr. K V Mani	Independent Director (till 21.01.2021)
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

NOTE 33 : RELATED PARTY TRANSACTIONS (Contd.)

B. Transactions with related parties

Related party category	Name of the related	31 March 2021 INR lacs	31 March 2020 INR lacs	Nature of transaction
Ultimate Holding Company	Bilcare Limited*	**46.58**	53.62	Interest accrued (gross)
Enterprise in which person having significant influence is a promoter	Kalpataru Limited	**14.70**	14.70	Interest accrued (gross)
Total		**61.28**	68.32	
Ultimate Holding Company	Bilcare Limited*	**90.00**	37.50	Intercorporate Deposits principal received
Ultimate Holding Company	Bilcare Limited*	**90.00**	37.50	Received against outstanding receivables
Total		**180.00**	75.00	
Ultimate Holding Company	Bilcare Limited*	**43.08**	48.25	Expense recognised during the period in respect for bad or doubtful debts/ advances
Ultimate Holding Company	Bilcare Limited*	**(180.00)**	(75.00)	Reversal of provision as no longer required
Total		**(136.92)**	(26.75)	
Holding Company till 20th November 2019	Bilcare Research Gmbh	—	50.24	Dividend paid
Holding Company w.e.f. 20th November 2019	Bilcare Mauritius Limited	—	—	Dividend paid
Enterprise in which person having significant influence is a promoter	K. C. Holdings Pvt Ltd	—	9.32	Dividend paid
Key management personnel	Mofatraj P. Munot	—	4.98	Dividend paid
Enterprise in which person having significant influence is a promoter	Kalpataru Properties Pvt Ltd	—	2.05	Dividend paid
Relatives of person having significant influence	Parag Mofatraj Munot	—	3.34	Dividend paid
Relatives of person having significant influence	Monica Parag Munot	—	0.20	Dividend paid
Total		—	70.13	

NOTE 33 : RELATED PARTY TRANSACTIONS (Contd.)

C. Outstanding with / from related party

Nature of balances	Name of the related	31 March 2021 INR lacs	31 March 2020 INR lacs
Accounts receivable from Ultimate Holding company			
Sale of goods	Bilcare Limited*	**161.00**	251.00
Intercorporate Deposits	Bilcare Limited*	**97.50**	187.50
Interest on Intercorporate deposits	Bilcare Limited*	**281.81**	238.72
Total		**540.31**	677.22
Provision for doubtful receivables			
Ultimate Holding Company	Bilcare Limited*	**540.31**	677.22
Total		**540.31**	677.22
Receivables in respect of non core activities			
Enterprise in which person having significant influence is a promoter	Kalpataru Limited	**245.74**	245.74
Total		**245.74**	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. 90 lacs against trade receivables and Rs. 90 lacs against Intercorporate deposit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021, the Company has recorded an impairment of receivables relating to amounts owed by related parties of INR 43.08 lacs (31 March 2020: INR 48.25 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. Accordingly, the Company has not made sales in the non-compete markets other than orders in hand as on 8 November 2019 and orders for which specific permission is obtained from the acquirer of BRAG and on which agreed commission needs to be paid to the acquirer of BRAG. The impact of the said transaction is not material on the quarterly and annual results for the year ended 31 March 2021.

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	31 March 2021 INR lacs	31 March 2020 INR lacs
Mr. Robin Banerjee, Managing Director		
Salary & allowances	**111.00**	111.00
Reimbursement of medical & leave travel expenses	**4.75**	4.75
Contribution to Provident & other funds	**8.28**	8.28
Performance Linked Incentives*	**25.00**	—
Total	**149.03**	124.03

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. 25 lacs (partial amount) was paid to Managing Director for Financial Year 2019-20 as was approved by the Nomination and Remuneration Commitee and Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021 INR lacs**	31 March 2020 INR lacs
Mr. Mofatraj P. Munot #	Chairman, Promoter Director	**0.00**	0.50
Ms. Ankita J. Kariya	Chairperson, Promoter Director	**2.00**	2.50
Mr. Bhoumik S. Vaidya	Independent Director	**3.50**	4.50
Late Sh. K V Mani ###	Independent Director	**2.50**	3.25
Ms. Anjali Seth	Independent Director	**1.50**	1.00
Mr. Nitin K Joshi	Independent Director	**2.25**	3.25
Mr. Siddharth S. Shetye	Independent Director	**3.00**	3.50
Mr. Narendra Lodha	Non-Independent Director	**2.25**	2.50
Mr. Chandrashekhar Joglekar ##	Non-Independent Director	**2.00**	1.50
Total		**19.00**	22.50

Held office upto 20 September, 2019

Appointed with effect from 20 September, 2019

Held Office till 21 January, 2021

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 geographical information required by Ind AS 108 is as under:

Particulars	**31 March 2021 INR lacs**	31 March 2020 INR lacs
a) Revenue from operations		
Sale of products		
Within India	**27,442.77**	24,991.45
Outside India	**1,682.86**	3,953.15
Total	**29,125.63**	28,944.60
b) Non-current assets*		
Within India	**2,123.97**	2,125.53
Outside India	**—**	—
Total	**2,123.97**	2,125.53

* 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 2021

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

Particulars	**31 March 2021 INR lacs**	31 March 2020 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	**155.16**	121.06
– Interest due on above (*)	**0.09**	0.14
(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. (*)	**3.61**	4.87
(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 (*)	**3.61**	4.87

(*) 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 2021 INR 50.75 lacs) (31 March 2020 INR 71.86 lacs) and they are recognised in other expenses.

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**	**41.94**	**65.66**

The details of expenditure incurred on R&D for the financial year ended 31 March 2020 are as under:

Particulars	31 March 2020 INR in lacs Thane Unit	31 March 2020 INR in lacs Nashik Unit	31 March 2020 INR in lacs Total
Capital	**3.58**	**7.73**	**11.31**
Revenue	**37.13**	**34.73**	**71.86**
Total	**40.71**	**42.46**	**83.17**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021 and 31 March 2020.

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 2021.

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 2021 and 31 March 2020.

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 8.73 lacs as on 31 March 2021, +/(-) INR 6.35 lacs as on 31 March 2020, 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 2021		31 March 2020	
		Foreign currencies	INR lacs	Foreign currencies	INR lacs
Receivables –					
Export Trade receivables	USD	299,028	219.85	703,779	534.03
	EUR	—	—	55,360	45.54
	AED	—	—	126,462	25.95
Payables –					
Import Trade payables	USD	2,152,971	1,583.08	2,680,753	2,034.96
	EUR	92,983	80.03	231,540	190.56
	AED	7,010	1.40	31,577	6.48

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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	**Change in USD rate**	**Effect on profit before tax- gain/ (loss) (INR lacs)**
31 March 2021	**+5%**	(68.16)
	-5%	68.16
31 March 2020	**+5%**	(75.05)
	-5%	75.05

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

The COVID-19 pandemic has brought economies, businesses and lives around the world to a standstill, and our country is no exception. Based on the directives and advisories issued by central and state governments and other relevant authorities during the lock down, our operations at Nasik factory was affected partially and Thane factory majorly. Considering the unprecedented and ever evolving situation, the Company has made assessment of recoverability and carrying value of its assets comprising of tangible assets, inventories and other current assets as at the Balance Sheet date. 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.

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 2021 and 31 March 2020 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 2021					
Trade, other payables and other financial liabilities	395.36	2,289.34	736.35		3421.05
	395.36	**2289.34**	**736.35**	**—**	**3421.05**
Year ended 31 March 2020					
Trade, other payables and other financial liabilities	443.19	2,812.32	485.03		3740.54
	443.19	**2812.32**	**485.03**	**—**	**3740.54**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021 INR lacs**	31 March 2020 INR lacs
Current Assets	**17,408.84**	15,357.32
Less: Current liabilities	**4,222.13**	4,162.40
Net current assets	**13,186.71**	11,194.92
Equity share capital	**1,313.40**	1,313.40
Other equity	**14,582.19**	12,540.06
Total capital	**15,895.59**	13,853.46

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

NOTE 40 : WORKING CAPITAL FACILITIES BY BANK

Bank of Maharashtra has sanctioned working capital facilities of Rs. 2125.00 lacs (31 March 2020 2125 lacs) which are secured by hypothecation of stock and book debts.

NOTE 41: 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

per KAUSHAL MEHTA
Partner
Membership No.: 111749

Place : Mumbai
Date : June 25, 2021

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

ROBIN BANERJEE
Managing Director
DIN: 00008893
Place : Mumbai
Date : June 25, 2021

SIDDHARTH S. SHETYE
Director
DIN: 06943119
Place: Pune
Date : June 25, 2021

PRITAM PAUL
CFO & Company Secretary
FCS Membership No: 5861
Place : Mumbai
Date : June 25, 2021

Notes

Our Products and their uses

1. **SUNBLIS:**

   PVC Rigid film ideally suited for packaging of pharmaceutical products, food products and other specific products.

2. **SUNDENE:**

   PVdC Coated PVC Film for high barrier requirements. Excellent material for packing hygroscopic pharmaceutical products.

3. **SUNBLIS JEWEL:**

   Metallic blister films for differentiating packaging solutions.

4. **SUNPLEX BILAM/TRILAM:**

   Multi-layer films with or without PVdC coating for pharma and food packaging.

5. **SUNPLEX HI-B:**

   Ultra high bearer packaging films.

6. **SUNPLEX MPAC/LAMPAC:**

   Metallised films, premium packaging solutions for pharma and food packaging markets.

7. **SUNVIC:**

   Rigid PVC films are used for a variety of specialised products like stationery, batteries, cards etc.

8. **SUNFLEX:**

   Flexible PVC Sheeting produced in a wide range of colours, embossing designs and prints.

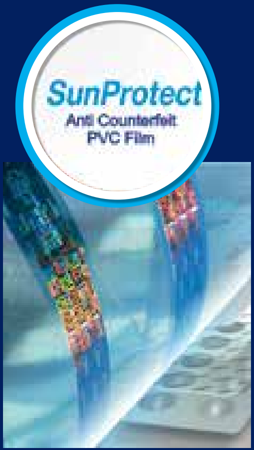
   Uses: Tablecovers, raincoats, windcheaters, marine jackets, curtains, handbags, diary covers, folders and other stationery items, air balloons, anti static covers, cable and other industrial uses.

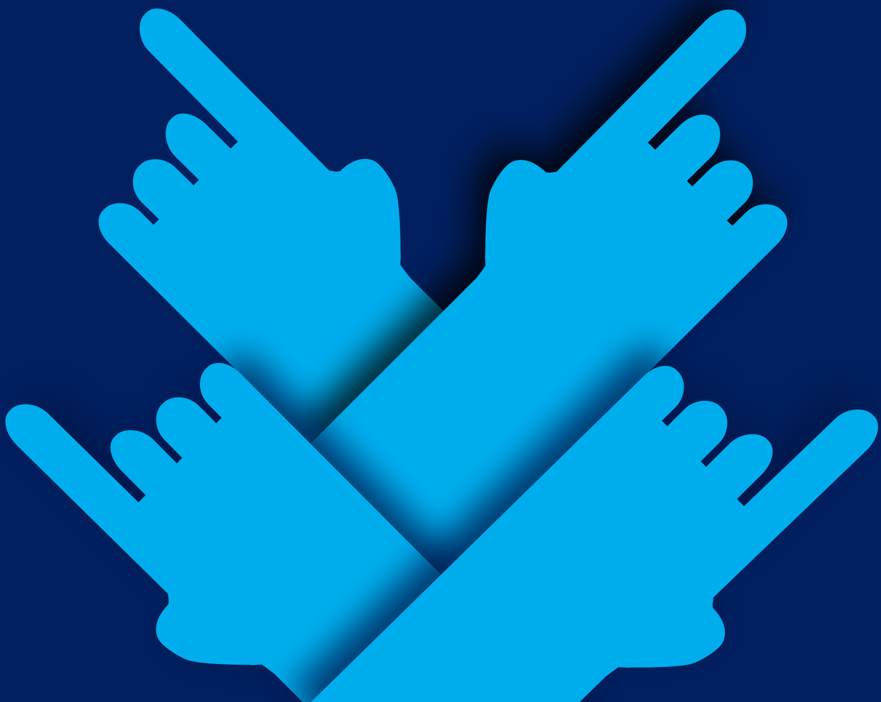
9. **SUNPAC:**

   Flute Board.

   Uses: For packaging, publicity, temporary shelters, partitions, light diffuser, panelling and advertising purposes.

caprihans
INDIA LIMITED





caprihans
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A BILCARE GROUP COMPANY

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