



**63rd ANNUAL REPORT 2008-2009**

**INEOS Films**  
A member of the INEOS Films Group

**DIRECTORS**

M.P. MUNOT	Chairman
R. BALASUBRAMANIAN	Managing Director
D. THOMPSON	
S.J. REYNOLDS	
S.A. GANDHI	
R.K. KULKARNI	
S.B. ZAVERI	
D.N. MUNGALE	

**SECRETARY**

K.R. VISWANATHAN

**BANKERS**

BANK OF MAHARASHTRA  
HDFC BANK LTD  
STATE BANK OF INDIA

**AUDITORS**

M.P. CHITALE & CO.,  
Chartered Accountants

**REGISTERED OFFICE**

BLOCK-D, SHIVSAGAR ESTATE,  
DR. ANNIE BESANT ROAD,  
WORLI, MUMBAI 400 018.  
Tel.: 3047 8664, 3047 8665  
Web: [www.caprihansindia.com](http://www.caprihansindia.com)

**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.

## Notice of Annual General Meeting

NOTICE is hereby given that the Sixty-third Annual General Meeting of the Shareholders of **CAPRIHANS INDIA LIMITED** will be held on **MONDAY, the 17TH AUGUST, 2009** at 3.00 p.m. at the **JAI HIND COLLEGE AUDITORIUM**, Jai Hind College Building, A Road, Churchgate, Mumbai - 400 020, to transact the following business:

1. To consider and adopt the Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. S.J.Reynolds who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. R.K.Kulkarni who retires by rotation and is eligible for re-appointment.
5. *To appoint a Director in place of Mr. S.B.Zaveri who retires by rotation and is eligible for re-appointment.*
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. Messrs M. P. Chitale & Company, Chartered Accountants, the retiring Auditors are eligible for re-appointment.

By Order of the Board of Directors

K. R. VISWANATHAN  
SECRETARY

Registered Office :  
Block D, Shivsagar Estate  
Dr. Annie Besant Road  
Worli, Mumbai 400 018.

Dated: 29th May, 2009.

### NOTES:

- (a) Pursuant to Clause 49 of the Listing Agreement, the relevant details in respect of Item Nos. 3, 4, and 5 is annexed herewith (Annexure I).
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (c) Proxies in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (d) The Register of Members and Share Transfer Books of the Company will be closed from WEDNESDAY, 5TH AUGUST, 2009 to MONDAY, 17TH AUGUST, 2009 (both days inclusive).
- (e) Dividend on shares, if declared at the meeting will be paid to those members whose names appear on the Company's Register of Members as on 17th August, 2009.
- (f) Pursuant to Section 205A and 205C of the Companies Act, 1956, dividend which remains unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, is required to be transferred to the Investor Education and Protection Fund established by the Central Government. According to the relevant provisions of the Act, no claim shall lie against the said Fund or the Company for the amount of dividend so transferred to the said Fund. Members who have not encashed the dividend warrant(s) upto the year ended 31st March, 2008 are requested to send their claims directly to the Company or to Link Intime India Pvt Ltd, the Company's Registrars and Transfer Agents (the R&T Agents).
- (g) The equity shares of the Company are available for trading in dematerialised form (scrip less trading in electronic form) through Depository Participants. The ISIN code is INE 479A01018.
- (h) Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the R&T Agents in respect of their holdings in physical form.

- (i) Members holding shares in demat form may please note that the Company will be mandatorily printing on the dividend warrants, the Members' bank account details as furnished by their respective DPs. The Company will not entertain any direct request from such Members for deletion of/change in their bank account details. Further, instructions given by Members for shares held in physical mode would not be automatically applicable to dividend paid on shares held in demat form.
- (j) In respect of Members who have given mandate for payment of dividend through Electronic Clearing services (ECS), the dividend will be paid through ECS.
- (k) Shareholders are requested to bring their copy of the Annual Report to the meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.

### Annexure (I) to the Notice dated 29th May, 2009

Details of Directors seeking appointment/re-appointment at the forth coming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. S.J. Reynolds	Mr. R.K. Kulkarni	Mr. S.B. Zaveri
Date of Birth	7th August, 1958	23rd May, 1945	25th April, 1938
Date of first appointment	1st June, 2007	7th August, 1997	27th March, 2002
Qualifications	AS Engineering Science BS Chemical Engineering	B.Sc., LL.B., LL.M	B.Sc., B.Sc.Hons.Chem.Eng (London)
Expertise in specific functional areas and experience	Mr. S.J. Reynolds is presently Commercial Director of Ineos Group Companies. He joined Ineos Technologies during 1991 and worked with Ineos Group in various capacities. He has over 28 years of experience in the field.	Mr. Kulkarni is associated with the Company as a Director since 1997. He has 39 years of experience in legal field. He was partner with Little & Co, Solicitor from 1979 to 31st March, 2005. Effective April, 2005 he is associated with Khaitan & Co, Solicitors, as partner.	Mr. Zaveri has 44 years of experience in chemical industry and presently he is Managing Director of James Robinson India Pvt Ltd. During 1972 to 1992 he was actively involved with various industry and trade association.
Directorships held in other Companies (Excluding Private Companies)	Nil	Ineos ABS (India) Ltd Mahindra & Mahindra Ltd Mahindra & Mahindra Contech Ltd Elantas Beck India Ltd Entertainment Network (India) Ltd Alternate Brand Solutions (India) Ltd Tech Mahindra Ltd Shamrao Vithal Co-op Bank Ltd	Chemiesynth (Vapi) Ltd Vapi Waste & Effluent Management Co. Ltd
Committee positions held in other companies	Nil	<b>Audit Committee</b> Elantas Beck India Ltd - Chairman Mahindra & Mahindra Ltd - Member Entertainment Network (India) Ltd - Member <b>Shareholders/Investor Grievance Committee</b> Mahindra & Mahindra Ltd - Member Elantas Beck India Ltd - Member <b>Remuneration committee</b> Entertainment Network (India) Ltd - Member	Nil

By Order of the Board of Directors

K. R. VISWANATHAN  
Secretary

Registered Office:

Block D, Shivsagar Estate  
Dr. Annie Besant Raod,  
Worli, Mumbai - 400 018

Dated: 29th May, 2009

## Directors' Report

To THE MEMBERS

Your Directors presents their Sixty-third Annual Report on the business and operations of the Company together with the audited accounts for the year ended 31st March, 2009.

### 1. FINANCIAL RESULTS:

	Year ended 31st March, 2009	Year ended 31st March, 2008
	(Rs. in Lakhs)	
Profit before interest, depreciation and tax	920.47	708.38
Interest	1.58	0.31
Depreciation	406.95	406.27
Profit before tax	511.94	301.80
Provision for tax		
— Current Tax	210.00	140.00
— Fringe benefit tax	14.00	13.00
— Deferred Tax	(47.00)	(31.00)
Profit after tax	334.94	179.80
Balance from last year	974.75	948.62
	<u>1309.69</u>	<u>1128.42</u>
Appropriations:		
Proposed Dividend	197.01	131.34
Corporate Tax on Dividend	33.48	22.33
Transfer to General Reserve	25.00	—
Carried forward to Balance Sheet	1054.20	974.75
	<u>1309.69</u>	<u>1128.42</u>

### 2. DIVIDEND:

The Directors are pleased to recommend payment of dividend @ 15% on the Equity Share Capital for the year ended 31st March, 2009.

### 3. PERFORMANCE:

The Company's turnover for the year amounted to Rs. 174 crores as compared to Rs. 141 crores in the previous year. The Company earned a Profit (before tax) of Rs. 512 lakhs as compared to Rs. 302 lakhs in the previous year.

### 4. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) appropriate accounting policies have been selected and applied consistently and judgements and 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, 2009 and of the Profit of the Company for the year ended 31st March, 2009.

- (c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the annual accounts have been prepared on a going concern basis.

**5. DIRECTORS:**

Mr. S.K. Dalmia resigned from the Board w.e.f. 17th April, 2009. Ms. D.K. Wadia who was Alternate Director to Mr. D. Thompson, resigned from the Board w.e.f. 12th March, 2009.

The Board wishes to place on record its appreciation of the services rendered by Mr. S.K. Dalmia and Ms. Wadia during their tenure.

Mr. S.J. Reynolds, Mr. R.K. Kulkarni and Mr. S.B. Zaveri retire by rotation and being eligible, offer themselves for re-appointment.

**6. CONSERVATION OF ENERGY:**

Details relating to the Conservation of Energy and Technology absorption and foreign exchange earnings and outgoings are given in Annexure-I forming part of the Directors' Report as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

**7. INDUSTRIAL RELATIONS:**

The industrial relations remained cordial during the year.

**8. CORPORATE GOVERNANCE:**

In terms of Clause 49 of the Listing Agreement, 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 III and IV respectively, to this report.

**9. AUDITORS:**

Messrs. M.P. Chitale and Company, Chartered Accountants, retire at the forthcoming Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and, being eligible, offer themselves for re-appointment. Observations in the Auditors' report regarding Note Nos. 4(a) and 7 of Schedule 6 to the Accounts are non-qualificatory in nature.

**10. PARTICULARS OF EMPLOYEES:**

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 are given under Annexure II to this Report.

**11. 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 the co-operation and assistance extended by them.

On behalf of the Board of Directors

Mumbai :  
Dated : 29th May, 2009

R. BALASUBRAMANIAN      Managing Director  
S. J. REYNOLDS              Director

## Annexure I to the Directors' Report

### A. CONSERVATION OF ENERGY

- (a) Energy conservation measures : 1. Optimum usage of steam and reduction of wastage.  
2. Maintaining the improved power factor.
- (b) Impact of measures at (a) above for reduction of energy consumption and the consequent cost impact on the costs of the production : Energy conservation measures have resulted in savings in energy costs of the Company.

### B. TECHNOLOGY ABSORPTION

Form B for disclosure of particulars with respect to Technology Absorption,

Research and Development (R&D):

1. Specific areas in which R&D carried out by the Company : (a) Efforts to reduce / substitute the costly Raw Materials and introduction of new improved versions are continued during the year.  
(b) Improved better and timely technical services to the customers.  
(c) Development of Triplex film.  
(d) Upgradation of R&D Labs and quality inspection systems in the plant resulted in better quality products.
2. Benefits derived as a result of the above R&D : (a) Reduction in customer complaints.  
(b) Saving in raw material cost.  
(c) Improvement in film characteristics for various applications.
3. Future Plan of Action : Continuation of the above mentioned actions to reduce costs and improve quality and productivity.
4. Expenditure on R&D

	<b>Year ended 31st March, 2009</b>	Year ended 31st March, 2008
	(Rs. in Lakhs)	
(a) Capital	<b>15.90</b>	20.50
(b) Recurring	<b>24.00</b>	19.00
(c) Total	<b>39.90</b>	39.50
(d) Total R&D Expenditure as a percentage of total turnover	<b>0.23</b>	0.28

**Technology Absorption, Adaptation and Innovation:**

1. Efforts in brief, made towards technology adaptation and innovation. : Establishing ISO 9001 and Q 9001-2000, bringing higher quality situation in all production lines which is in agreement with customer's requirements especially in the area of GMP.
2. Benefits derived as a result of the above efforts : The result out of the improvements are better quality and higher line efficiency. Also a reduction in the areas of raw material cost and energy cost.
3. In case of imported technology following information may be furnished : No technology has been imported during the last 10 years.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

1. Activities relating to Exports : The exports of goods and services during the year amounted to Rs. 2560 lakhs.
2. Total foreign exchange
  - (a) Used
    - (i) CIF Value of Imports – Rs. 2710 lakhs
    - (ii) Expenditure in foreign currency (for details refer Schedule 5 to the Profit and Loss Account) – Rs. 37 lakhs
  - (b) Earned : FOB value of exports and marketing services – Rs. 2560 lakhs

**Annexure II to the Directors' Report**

Particulars of Employees of the Company who were in receipt of remuneration of not less than Rs. 24,00,000 per annum or Rs. 2,00,000 per month and forming part of Director's Report.

(a) Age (Years) (b) Designation/nature of duties (c) Gross Remuneration (Rs.) (d) Experience (Years) (e) Qualification (f) Date of commencement of employment (g) Last employment held and Designation

**EMPLOYED THROUGHOUT THE YEAR:**

(1) R. BALASUBRAMANIAN (a) 57 (b) Managing Director (c) 47,48,263 (d) 33 (e) B.Com., A.I.C.W.A., A.C.A., A.C.S. (f) 23/11/83 (g) W.G. Forge & Allied Industries Ltd.– Chief Accountant.

**Notes:**

1. Nature of Employment of Mr. R. Balasubramanian is on contractual basis.
2. Mr. R. Balasubramanian is not a relative of any Director of the Company.
3. Remuneration includes Salary, House Rent Allowance, Bonus, Leave Travel Allowance, Medical, Value of perquisites and Company's contribution to Provident & other Funds.



## Annexure III 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 is as follows:

Name and Designation of the Director	Category	*No. of Directorships and Committee Membership/Chairmanship (other than Caprihans India Limited)		
		Other Directorships	Committee Membership	Committee Chairmanship
Mr. M.P. Munot (Chairman)	Promoter Non-Executive	3	1	–
Mr. S.K. Dalmia (B)	Promoter Non-Executive	2	–	–
Mr. S.A. Gandhi	Promoter Non-Executive	–	–	–
Mr. R. Balasubramanian (Managing Director)	Executive	–	–	–
Mr. D. Thompson	Promoter Non-Executive	–	–	–
Mr. S.J. Reynolds	Promoter Non-Executive	–	–	–
Mr. R.K. Kulkarni	Independent Non-Executive	8	5	1
Mr. S. B. Zaveri	Independent Non-Executive	2	–	–
Mr. D.N. Mungale	Independent Non-Executive	8	9	4
<b>Alternate Director</b> Ms. D.K. Wadia (A)	Independent	–	–	–

(A) – Ceased to be Alternate Director w.e.f. 12th March, 2009

(B) – Ceased to be Director w.e.f. 17th April, 2009

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

The present strength of the Board of Directors is eight out of which three are independent directors. As stipulated in Clause 49 of the Listing Agreement the number of independent directors should be at least fifty percent of the composition of the Board of Directors. The Company is taking necessary steps to comply with the requirement.

Except the Managing Director, the other Directors are liable to retire by rotation.

Mr. S.J. Reynolds, Mr. R.K. Kulkarni and Mr. S.B. Zaveri retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The information prescribed under the Listing Agreement to be sent to the shareholders are stated in the Notice.

**(b). Number of Board Meetings, attendance at Board Meetings and Previous Annual General Meeting**

During the year ended 31st March, 2009 six Board Meetings were held on 18/04/2008, 30/05/2008, 31/07/2008, 05/09/2008, 17/10/2008 and 30/01/2009.

Attendance at Board Meetings and at last Annual General Meeting (AGM) held on 5th September, 2008:

<b>Name of the Director</b>	<b>No. of Board Meetings attended</b>	<b>Attendance at last AGM</b>
Mr. M.P. Munot	5	–
Mr. S.K. Dalmia	4	Yes
Mr. S.A. Gandhi	2	–
Mr. R. Balasubramanian	6	Yes
Mr. R.K. Kulkarni	5	Yes
Mr. D. Thompson	3	Yes
Mr. S. J. Reynolds	2	–
Mr. S.B. Zaveri	6	Yes
Mr. D.N.Mungale	3	–
<b>Alternate Director</b> Ms. D.K. Wadia	2	–

**Share holding of Non-Executive Directors as on 31/03/2009 is as under:**

1.	Mr. M.P. Munot	56957 Equity shares
2.	Mr. D. Thompson	–
3.	Mr. S.J. Reynolds	–
4.	Mr. S.K. Dalmia	–
5.	Mr. S.A. Gandhi	118447 Equity shares
6.	Mr. R.K. Kulkarni	–
7.	Mr. S.B. Zaveri	9300 Equity shares
8.	Mr. D.N. Mungale	–

**3. Committees of the Board**

**A. Audit Committee:**

During the year ended 31st March, 2009 five Audit Committee Meetings were held on 18/04/2008, 30/05/2008, 31/07/2008, 17/10/2008 and 30/01/2009. The details of the Committee are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. R. K. Kulkarni	Chairman	Independent Non-Executive	5
Mr. D. Thompson	Member	Promoter Non-Executive	2
Mr. S. B. Zaveri	Member	Independent Non-Executive	5

The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement with Stock Exchanges and Section 292(A) of the Companies Act, 1956.

Mr.K.R.Viswanathan, the Company Secretary, acts as the Secretary to the Committee.

**B. Remuneration Committee :**

During the year ended 31st March, 2009 two meetings were held on 18/04/2008 and 30/05/2008. The details of the Committee are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. S. B. Zaveri	Chairman	Independent Non-Executive	2
Mr. R. K. Kulkarni	Member	Independent Non- Executive	2
Mr. D. N. Mungale	Member	Independent Non- Executive	1

The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement with Stock Exchanges.

**Remuneration to Directors**

The details of remuneration paid to Mr. R. Balasubramanian, Managing Director for the period 01/04/2008 to 31/03/2009 is as under:

(i) Gross Salary including taxable perquisites	:	Rs. 38.33 lakhs
(ii) Company's contribution to Provident & other funds	:	Rs. 9.15 lakhs
<b>Total</b>	<b>:</b>	<b>Rs. 47.48 lakhs</b>

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

The details of payments to Non-Executive Directors during the period 01/04/2008 to 31/03/2009 are given below:

Name	Sitting Fees for attending Board Meeting & Committee Meeting Rs.
Mr. M. P. Munot	5000
Mr. S. K. Dalmia	4000
Mr. D. Thompson	NIL
Mr. S. J. Reynolds	NIL
Mr. S. A. Gandhi	2000
Mr. R. K. Kulkarni	13000
Mr. S. B. Zaveri	14000
Mr. D. N. Mungale	4000
Ms. D. K. Wadia (Alternate)	2000

**C. Shareholders/Investors Grievance Committee**

During the year ended 31st March, 2009 one meeting was held on 30/01/2009. The details of the Committee are as under:

Name of the Director	Designation	Category	No of meetings attended
Mr. D. Thompson	Chairman	Promoter Non-Executive	–
Mr. R. K. Kulkarni	Member	Independent Non-Executive	1
Mr. S. B. Zaveri	Member	Independent Non-Executive	1

The Committee oversees redressal of shareholders and Investor grievances/complaints. Mr. P.N.Srinivasan, Asst. 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 01/04/2008 to 31/03/2009 are 33. The number of complaints received from SEBI is nil. No transfers were pending as on 31st March, 2009.

**General Body Meetings**

The last three Annual General Meetings (AGM) were held as under:

Financial Year ended	Venue	Day and Date	Time
31-03-2008	Jai Hind College Mumbai – 400 020	Friday, 5th September 2008	3 p.m.
31-03-2007	Jai Hind College Mumbai – 400 020	Wednesday, 26th September 2007	3 p.m.
31-03-2006	Jai Hind College Mumbai – 400 020	Thursday, 28th September 2006	3 p.m.
Year ended 31-03-2008		– No Special Resolution were passed	
Year ended 31-03-2007		– Special Resolution for re-appointment and Payment of Remuneration to Managing Director effective 29th April, 2008	
Year ended 31-03-2006		– No Special Resolution were passed	

No Postal ballots were used for voting at these meetings as no item requiring approval through Postal ballots were taken at these meetings.

#### 4. 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. M.P. Munot is a Director of KL. The performance of KL by this agreement has been guaranteed amongst others by Mr. M.P. Munot, Mr. S.A. Gandhi and Klassik Garments Private Limited in which Mr. S.K. Dalmia is a Director. 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. M.P. Munot, Mr. S.A. Gandhi and Mr. S.K. Dalmia who are the Directors/Promoters of the Company.

- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.—**NONE.**

#### 5. 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 <a href="http://www.caprihansindia.com">www.caprihansindia.com</a>
Presentations made to institutional Investors or to the analysts	:	No
Newspapers in which results are Normally published in	:	– The Free Press Journal (English) – Navashakti ( Marathi)
Whether MD&A is apart of Annual Report or not	:	Yes, forms part of the Director's Report

#### 6. General Shareholder Information

##### Annual General Meeting

– Date and Time	:	Monday, 17th August, 2009 at 3 p.m.
– Venue	:	Jai Hind College Auditorium, Jai Hind College Building, A Road, Churchgate, Mumbai – 400 020.

##### Financial calendar

- (a). 1st April to 31st March
- (b). First quarter results by end July 2009
- (c). Second quarter results by end October 2009
- (d). Third quarter results by end January 2010
- (e). Results for the year ending 31st March, 2010 by end June, 2010.

##### Date of Book Closure

: Wednesday 5th August, 2009 to Monday 17th August, 2009 (both days inclusive).

##### Dividend payment Date

: On or after 17th August, 2009

##### Listing on Stock Exchanges

- Bombay Stock Exchange Ltd.
- Delhi Stock Exchange Ltd.

The Company has paid the listing fees for the year 2009-2010 to both the Stock Exchanges.

**Stock Code**

BSE (Physical form) : 9486  
 BSE (Demat form) : 509486  
 DSE : 03040  
 ISIN number for NSDL/CDSL : INE479A01018

**Market Price Data: High/Low during each month in the last 12 months ( ie from 01/04/2008 to 31/03/2009) and performance in comparison to broad based indices such as BSE Sensex.**

Paid up value – Rs. 10/ – per share

Month	Share Price of Caprihans India Ltd.		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
2008 – Apr	51.00	36.70	17480	15297
May	55.00	37.00	17735	16196
Jun	42.50	32.00	16632	13405
Jul	35.80	28.50	15130	12514
Aug	43.75	30.55	15579	14002
Sep	40.70	25.60	15107	12153
Oct	29.90	18.25	13203	7697
Nov	24.00	16.75	10945	8316
Dec	27.00	18.00	10188	8467
2009 – Jan	27.25	19.75	10469	8631
Feb	26.00	19.15	9724	8619
Mar	22.25	17.50	10127	8047

**Name and Address of the Registrar & Transfer Agents:**

Link Intime India Pvt Ltd.,

**City Office :**

203, Daver House,  
 Next to Central Camera,  
 197/199, D N Road, Fort,  
 Mumbai – 400 001  
 Phone : 2269 4127

**Suburban Office:**

C – 13, Pannalal Silk Mills Compound,  
 LBS Marg,  
 Bhandup (West),  
 Mumbai – 400 078  
 Phone : 2596 3838  
 Fax : 2594 6969

**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 a period of 30 days from the date of receipt, if the documents are complete in all respects.

**Distribution of shareholding as on 31st March, 2009**

Range	No. of Shareholders	% of Total	No. of Shares held	% of Total
1 – 250	7600	86.67	589173	4.49
251 – 500	658	7.50	240083	1.83
501 – 1000	269	3.07	212077	1.62
1001 – 2000	107	1.22	164862	1.25
2001 – 3000	35	0.40	90083	0.68
3001 – 4000	14	0.16	48896	0.37
4001 – 5000	14	0.16	64795	0.49
5001 – 10000	25	0.28	171968	1.31
Over 10000	47	0.54	11552034	87.96
TOTAL	8769	100.00	13133971	100.00

**Shareholding pattern as on 31st March, 2009**

	Type of shareholders	No. of shares held	% of Total
1.	Promoters		
	Foreign	6698325	51.00
	Indian	2710378	20.64
2.	Financial Institutions & Banks	483414	3.68
3.	FII's & OCB's	330731	2.52
4.	Mutual Fund/s	5016	0.04
5.	Non Resident Indians	18918	0.14
6.	Domestic Companies	1237513	9.42
7.	Individuals	1649676	12.56
	Total	13133971	100.00

**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, 2009 a total of 6043453 shares of the Company, which forms 46.01% 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  
2. Plot Nos. 76/77, MIDC Industrial Estate, Trimbak Road, Satpur, Nasik - 422 007

**Address for correspondence** : CAPRIHANS INDIA LIMITED  
Block - D, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400 018  
Tel. 3047 8664

#### 7. 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 required by the Companies Act will be followed by the Company.

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### Certificate of Compliance with The Code of Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2009.

For CAPRIHANS INDIA LIMITED

Place : Mumbai  
Dated : 29th May, 2009.

R. BALASUBRAMANIAN  
Managing Director

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### Auditor's Certificate

#### TO THE MEMBERS OF CAPRIHANS INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Caprihans India Limited for the year ended on 31st March 2009 as stipulated by Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures adopted and implementation thereof by the Company for ensuring compliance with the conditions as stipulated in the said clause; it is not an audit or expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us and the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement *except that the number of independent directors is less than fifty per cent of the composition of the Board of Directors.*

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/Investor Grievance Committee.

We further state that 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 M.P. CHITALE & CO.  
Chartered Accountants

Place : Mumbai  
Dated : 29th May, 2009

MURTUZA VAJIHI  
Partner  
ICAI Membership No. 112555



## **Annexure IV to the Directors' Report – Management Discussion and Analysis Report**

### **INDUSTRY**

The Company is engaged in the processing of plastic polymers and manufactures Rigid and Flexible PVC films by Calendering process and certain plastic products through extrusion process. 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 market size is 5% to 7% annually.

The image of the Company, built through decades of quality products and efficient customer service is the major strength of the Company. The Company has a significant share of the Rigid PVC film market and is the Quality Leader in the Flexible PVC film market.

### **RISKS AND CONCERNS**

PVC resin is the most important raw material for the company. Demand for PVC resin in the country has been increasing every year but the domestic capacity has not kept pace with the demand. Further, for certain grades of resin, there is only one manufacturer in India. Hence any disruption in the supply from this source will affect the operations of the company.

There is severe competition in the market for the company's products. The overall capacity in the industry is significantly more than the demand and additional capacity was built during the year.

### **FINANCIAL PERFORMANCE**

Sales for the year was Rs. 174 crores compared to Rs. 141 crores during the previous year. Demand for some products was adversely affected by the economic slowdown during the year. Improved volumes of rigid film and coated film helped achieve higher turnover during the year. This also improved the profitability. Profit before tax for the year was Rs. 512 lakhs showing an increase of 69% over the previous year's profit of Rs. 302 lakhs.

### **INTERNAL CONTROL SYSTEMS**

The 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.

### **HUMAN RESOURCES**

The company appreciates the efforts of its dedicated team of employees. Industrial relations were cordial during the year. The number of employees on the roll as on 31st March, 2009 was 365. The Company accords very high priority to safety in all aspects of its operations. The employees are trained in various aspects of safety. Regular safety audits are conducted to ensure high safety standards.

## Auditors' Report

### TO THE MEMBERS OF CAPRIHANS INDIA LIMITED

1. We have audited the attached Balance Sheet of Caprihans India Ltd., as at 31st March, 2009, the Profit and Loss Account for the financial year ended 31st March, 2009 and also the Cash Flow Statement for the financial year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that
  - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
  - (v) On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
  - (vi) Without qualifying our audit opinion, we invite attention to -
    - (a) Note no. 4(a) in Schedule 6 regarding disputed excise duty demands aggregating Rs. 860 lakhs disclosed as contingent liabilities.
    - (b) Note no. 7 in Schedule 6 regarding delay in realisation of the assets of non-core activities to the extent of Rs. 245 lakhs.

These are matters referred to in our audit report for the previous year 2007-08

and report that in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- (b) in the case of the Profit and Loss Account, of the profit for the financial year ended on 31st March, 2009 and
- (c) in the case of the Cash Flow Statement, of the cash flows for the financial year ended on 31st March, 2009.

For M.P. CHITALE & CO.  
Chartered Accountants

MURTUZA VAJIHI  
Partner

Place : Mumbai  
Dated : 29th May, 2009

ICAI Membership No. 112555

## **Annexure to the Auditors' Report**

*(Referred to in paragraph 3 of our report of even date on the accounts of Caprihans India Ltd for the 12 months period ended 31st March, 2009)*

1. (a) The Company has maintained reasonable records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a programme to verify fixed assets physically once in three years which is in our opinion, reasonable. Accordingly, verification of fixed assets has been done during the period under audit. We are informed that discrepancies noticed on verification were not material and the same have been properly dealt with in the books of accounts.  
(c) Based on our examination of the records of the company, we find that no substantial part of the fixed assets has been disposed off during the year.
2. (a) Inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable.  
(b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion, the Company maintains proper records of inventory. We are informed that no material discrepancies were noticed on physical verification of inventories.
3. The Company has not granted or taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of goods. During the course of our audit we did not notice any continuing failure to correct any major weakness in internal controls.
5. In our opinion and according to the information and explanations given to us the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section and these transactions have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public attracting the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder or the directives issued by RBI.
7. The Company has an Internal Audit system which, in our opinion, is commensurate with the size and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we find that the Company has generally been regular in depositing undisputed statutory dues such as provident fund, investor education & protection fund, employees' state insurance dues, income tax, wealth tax etc. with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above statutory dues were outstanding as on 31st March, 2009 for a period of more than six months from the date they became payable.

- (b) The disputed statutory dues that have not been deposited on account of appeal matters pending before the appropriate authorities are as under :-

Financial Years	Amount (Rs. in lakhs)	Particulars	Authority
1996-97 to 1997-98	185.63	Excise Duty	CESTAT
1992-93 to 2001-02	251.18	Excise Duty	Hon Supreme Court
1995-96 to 1997-98	25.28	Excise Duty	Hon Supreme Court
1994-95 to 1996-97	242.14	Excise Duty	Hon Supreme Court
2007-08	4.99	Service Tax	Commissioner (appeals)
<b>Total</b>	<b>709.22</b>		

10. The Company has no accumulated losses as at the financial year end. There were no cash losses incurred in the financial year or the previous financial year.
11. The Company has neither taken any loans from a financial institution and a bank nor issued any debentures.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi, mutual benefit fund or a society.
14. The Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loans.
17. The Company has not raised any funds on short-term basis.
18. The Company has not made any preferential allotment of shares during the year.
19. According to the information and explanations given to us, the Company has not issued any debentures.
20. The Company has not raised any money by way of public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For M.P. CHITALE & CO.  
Chartered Accountants

MURTUZA VAJIHI  
Partner

ICAI Membership No. 112555

Place : Mumbai  
Dated : 29th May, 2009

**Balance Sheet as at 31st March, 2009**

	Schedule	Rs. in lakhs	As at 31st March, 2009 Rs. in lakhs	As at 31st March, 2008 Rs. in lakhs
<b>FUNDS EMPLOYED:</b>				
Share Capital	A		1313.40	1313.40
Reserves and Surplus	B		7809.67	7717.22
Total Shareholders' Funds			9123.07	9030.62
Deferred Tax (Net)	C		57.00	104.00
Total			9180.07	9134.62
<b>APPLICATION OF FUNDS:</b>				
Fixed Assets:	D			
(a) Gross Block			7287.04	7288.79
(b) Less: Depreciation			4279.87	3930.99
(c) Net Block			3007.17	3357.80
(d) Capital Work-in-progress			14.87	3.14
Investments	E		-	201.37
<b>Current Assets:</b>	F			
(a) Inventories		2380.61		2838.85
(b) Sundry Debtors		4571.11		4118.37
(c) Cash and Bank Balances		2324.11		1023.27
(d) Loans and Advances	G	332.44		584.29
		9608.27		8564.78
Less:				
<b>Current Liabilities &amp; Provisions:</b>	H			
(a) Current Liabilities		2898.92		2559.17
(b) Provisions		551.32		433.30
		3450.24		2992.47
Net Current Assets			6158.03	5572.31
Total			9180.07	9134.62

Notes on Accounts

6

As per our report attached  
for M. P. CHITALE & CO.  
Chartered Accountants

R. BALASUBRAMANIAN

Managing Director

S. J. REYNOLDS  
S. A. GANDHI  
R. K. KULKARNI  
S. B. ZAVERI

Directors

MURTUZA VAJIHI  
Partner

K. R. VISWANATHAN  
V.P. (Finance) &  
Company Secretary

Mumbai,  
Dated : 29th May, 2009

**Profit and Loss Account for the year ended 31st March, 2009**

	Schedule	For the year ended 31st March, 2009 Rs. in lakhs	For the year ended 31st March, 2008 Rs. in lakhs
<b>INCOME:</b>			
Sales		17368.89	14108.97
Less: Excise Duty		1560.20	1792.23
		<u>15808.69</u>	<u>12316.74</u>
Increase/(Decrease) in Finished Goods, Work-in-Progress & Scrap	1	(624.04)	324.91
Other Income	2	277.51	208.14
Transfer from Revaluation Reserve		12.00	12.00
		<u>15474.16</u>	<u>12861.79</u>
<b>EXPENSES:</b>			
Materials	3	10745.76	8910.59
Expenses	4	3795.93	3230.82
Interest		1.58	0.31
Depreciation		418.95	418.27
		<u>14962.22</u>	<u>12559.99</u>
Profit before taxation		511.94	301.80
Provision for taxation			
— Current tax		210.00	140.00
— Fringe benefit tax		14.00	13.00
— Deferred tax		(47.00)	(31.00)
Profit after taxation		334.94	179.80
Balance from last year		974.75	948.62
Amount available for appropriation		<u>1309.69</u>	<u>1128.42</u>
— Proposed dividend		197.01	131.34
— Corporate tax on dividend		33.48	22.33
— Transfer to General Reserve		25.00	—
Balance carried to Balance Sheet		<u>1054.20</u>	<u>974.75</u>
Earning per share (Basic/Diluted) in Rs.		2.55	1.37
Additional information pursuant to paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956	5		
Notes on Accounts	6		

As per our report attached  
for M. P. CHITALE & CO.  
Chartered Accountants

MURTUZA VAJIHI  
Partner

Mumbai,  
Dated : 29th May, 2009

K. R. VISWANATHAN  
V. P. (Finance) &  
Company Secretary

R. BALASUBRAMANIAN

Managing Director

S. J. REYNOLDS  
S. A. GANDHI  
R. K. KULKARNI  
S. B. ZAVERI

Directors

**Schedules attached to and forming part of the Balance Sheet  
as at 31st March, 2009**

**SCHEDULE "A"**

**SHARE CAPITAL**

**Authorised:**

2,00,00,000 Equity Shares of Rs. 10 each

**Issued and Subscribed:**

1,31,33,971 Equity Shares of Rs. 10 each fully paid-up

Of the above

- (1) 25,000 Equity Shares are allotted as fully paid-up pursuant to a contract without payment being received in cash
- (2) 35,44,199 Equity Shares are allotted as fully paid-up by way of Bonus Shares by Capitalisation of Share Premium & General Reserve
- (3) 66,98,325 Equity Shares are held by INEOS Films GmbH, the holding Company

**SCHEDULE "B"**

**RESERVES AND SURPLUS**

**Capital Reserve:**

Revaluation Reserve: (See Note 6)

Opening balance

Less: Transfer to Profit and Loss Account

**Securities Premium Account:**

**General Reserve:**

Opening balance

Add: Transfer from Profit and Loss Account

**Surplus:**

As per Profit and Loss Account

**SCHEDULE "C"**

**DEFERRED TAX (Net)**

Deferred tax (See Note 13)

Rs. in lakhs	As at 31st March, 2009 Rs. in lakhs	As at 31st March, 2008 Rs. in lakhs
	<u>2000.00</u>	<u>2000.00</u>
	<b>1313.40</b>	1313.40
	<u>1313.40</u>	<u>1313.40</u>
	<b>21.20</b>	21.20
	<b>124.00</b>	136.00
	<u>12.00</u>	<u>12.00</u>
	<b>112.00</b>	124.00
	<b>6497.27</b>	6497.27
	<b>100.00</b>	100.00
	<u>25.00</u>	-
	<b>125.00</b>	100.00
	<b>1054.20</b>	974.75
	<u>7809.67</u>	<u>7717.22</u>
	<b>57.00</b>	104.00
	<u>57.00</u>	<u>104.00</u>

## Schedules attached to and forming part of the Balance Sheet as at 31st March, 2009

### SCCHEDULE "D" FIXED ASSETS

(Rs. in lakhs)

	Cost as at 31st March, 2008	Additions	Deductions	Cost as at 31st March, 2009	Depreciation upto 31st March, 2009	Net Book Value as at 31st March, 2009	Net Book Value as at 31st March, 2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	4.30			4.30	1.77	2.53	2.58
Buildings (a)	1589.04	8.10		1597.14	898.97	698.17	748.95
Plant and Machinery	5173.65	56.55	28.31	5201.89	3040.96	2160.93	2420.07
Furniture, Fixtures & Other Equipments	279.39	2.97	36.79	245.57	197.99	47.58	63.33
Vehicles	68.11	4.42	8.69	63.84	40.67	23.17	28.91
Computer Software	174.30			174.30	99.51	74.79	93.96
	7288.79	72.04	73.79	7287.04	4279.87	3007.17	3357.80
Previous Year	(6979.83)	(385.65)	(76.69)	(7288.79)	(3930.99)	(3357.80)	(3397.61)
Capital Work-in-Progress (b)						14.87	3.14

- Notes : (a) Cost of Buildings includes revaluation of Rs. 235.00 lakhs (Previous year Rs. 235.00 lakhs) (See Note 6).  
 (b) Capital Work-in-progress includes – Advances for Capital Expenditure Rs. 1.52 lakhs (Previous year Rs. 3.14 lakhs).  
 (c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 9.97 lakhs (Previous year Rs. 19.68 lakhs).





**Schedules attached to and forming part of the Balance Sheet  
as at 31st March, 2009**

**SCHEDULE "G"**

**LOANS AND ADVANCES**

(Unsecured Considered Good unless otherwise specified)

Advances recoverable in cash or in kind or for value to be received

Amounts receivable

Balances with Excise

*Less:* Advances considered doubtful & provided for

Balance – Considered good

	As at 31st March, 2009 Rs. in lakhs	As at 31st March, 2008 Rs. in lakhs
	Rs. in lakhs	
	246.11	205.87
	22.26	137.05
	65.71	243.01
	<u>334.08</u>	<u>585.93</u>
	1.64	1.64
	<u>332.44</u>	<u>584.29</u>
<b>SCHEDULE "H"</b>		
<b>CURRENT LIABILITIES AND PROVISIONS:</b>		
<b>(A) Current Liabilities:</b>		
Sundry Creditors – Others	2754.35	2420.17
Micro, Small & Medium enterprises (See Note 8)	–	–
Advances received for value to be given	101.16	91.31
Investor Education and Protection Fund shall be credited by the following amounts:		
– Unclaimed/Unpaid matured debentures	–	1.27
– Unclaimed/Unpaid dividend	4.05	2.66
Deposits from Customers and others	22.34	21.13
Due to Trustees of Gratuity Fund	17.02	22.63
	<u>2898.92</u>	<u>2559.17</u>
<b>(B) Provisions:</b>		
Provision for Taxation (Net)	184.01	170.47
Provision for Unencashed Leave	136.82	109.16
Proposed dividend	197.01	131.34
Corporate tax on dividend	33.48	22.33
	<u>551.32</u>	<u>433.30</u>
	<u>3450.24</u>	<u>2992.47</u>

**Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009**

**SCHEDULE "1"**

**INCREASE/(DECREASE) IN FINISHED GOODS, WORK-IN-PROGRESS & SCRAP:**

**Stock at Close:**

	Rs in lakhs	For the year ended 31st March, 2009 Rs. in lakhs	For the year ended 31st March, 2008 Rs. in lakhs
Finished Goods	613.99		1104.65
Work-in-Progress	158.37		228.66
Scrap	32.82		95.91
		<b>805.18</b>	<b>1429.22</b>

**Stock at Commencement:**

Finished Goods	1104.65		855.29
Work-in-Progress	228.66		175.55
Scrap	95.91		73.47
		<b>1429.22</b>	<b>1104.31</b>
		<b>(624.04)</b>	<b>324.91</b>

**SCHEDULE "2"**

**OTHER INCOME:**

Miscellaneous Income		163.78	65.74
Insurance Claims		-	0.72
Rent		3.96	8.09
Interest from Banks and others (Tax deducted at source Rs. 21.13 lakhs, Previous Year Rs. 15.26 lakhs)		100.30	82.56
Income from Investment		6.42	23.05
Profit on Fixed Assets sold/scrapped (Net)		3.05	1.74
Provisions no longer required		-	26.24
		<b>277.51</b>	<b>208.14</b>

**Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009**

**SCHEDULE "3"**

**MATERIALS:**

Raw Materials consumed  
Purchase of Goods  
Stores and Spares consumed

For the year  
ended 31st  
March, 2009  
Rs. in lakhs

10556.05  
35.45  
154.26  
10745.76

For the year  
ended 31st  
March, 2008  
Rs. in lakhs

8735.68  
32.66  
142.25  
8910.59

**SCHEDULE "4"**

**EXPENSES:**

Salaries, Wages and Bonus  
Contribution to Provident & Other Funds  
Staff Welfare  
Processing/Fabrication Charges  
Non core related expenses  
Power, Fuel and Water Charges  
Rent  
Rates and Taxes  
Insurance  
Repairs to Plant and Machinery  
Repairs to Building  
Packing Materials, Forwarding etc.  
Directors' Remuneration  
Commission on Sales  
Miscellaneous Expenses  
Charges/(Recovery) on realisation of non-core assets (See Note 7)  
Bad debts written off  
Provision for Doubtful Debts

954.31  
67.91  
68.43  
153.98  
19.16  
969.20  
23.94  
4.95  
17.18  
42.95  
6.13  
906.78  
38.75  
185.92  
319.30  
(19.16)  
23.12  
13.08  
3795.93

861.74  
63.00  
59.92  
115.23  
30.77  
841.18  
20.86  
4.31  
18.00  
37.47  
5.15  
688.19  
37.35  
125.70  
325.78  
(30.77)  
5.28  
21.66  
3230.82

## Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009

### SCHEDULE "5"

ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3, 4C AND 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

#### (A) QUANTITATIVE INFORMATION IN RESPECT OF EACH CLASS OF GOODS MANUFACTURED

(All figures in 000's)															
Sr. No.	ITEM.	Licensed Capacity M.T. Per Annum	Installed Capacity. Per Annum (c) Kgs	Actual Production (c) Kgs	OPENING STOCK		PURCHASE		CLOSING STOCK		SALES				
					Qty. Kgs.	Value Rs.	Qty. Kgs.	Value Rs.	Qty. Kgs.	Value Rs.	Qty. Kgs.	Nos.	Sq. Mtrs.	Mtrs.	Value Rs.
1	Rigid & Flexible PVC Sheet	23220 (a) (23220)	25860 (25860)	15420 (13650)	1251 (1027)	94310 (70058)	39 (42)	3545 (3266)	851 (1251)	55985 (94310)	13359 (10188)	7 (86)		8409 (9075)	1617077 (1252936)
2	Plastic Extruded Sheets & Films	420 (b) (420)	420 (420)	223 (545)	122 (105)	8777 (7968)			52 (122)	2432 (8777)	71 (66)	6 (-)	103 (215)		34020 (55425)
3	Hollow Plastic Corrugated Boards	1050 (1050)	1050 (1050)	523 (801)	93 (90)	7378 (7503)			47 (93)	2982 (7378)	55 (77)		1046 (1443)		64087 (85396)
4	Sundry/ Scrap sales														21705 (17140)
													TOTAL		<u>1736889</u> <u>(1410897)</u>

Notes:

- (a) Includes 21900 (21900) M.T. per annum exempted from the licensing provisions.
- (b) Single Shift basis.
- (c) As certified by Works Manager
- (d) Figures in brackets denote figures for previous year.

**Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009**

**SCHEDULE "5" (Contd.)**

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Quantity M.T.	Value Rs. in lakhs	Quantity M.T.	Value Rs. in lakhs
<b>(B) RAW MATERIALS CONSUMED</b>				
Resins	13457	7215.83	11676	5583.19
Plasticizers	1093	787.12	1234	843.94
Polypropylene	577	381.44	890	581.13
Others		2171.66		1727.42
		<u>10556.05</u>		<u>8735.68</u>
<b>(C) BREAK UP OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED</b>				
	Value Rs. in lakhs	Percentage to total Consumption	Value Rs. in lakhs	Percentage to total Consumption
Raw Materials - Imported	3016.68	28.58	2325.51	26.62
Raw Materials - Indigenous	7539.37	71.42	6410.17	73.38
	<u>10556.05</u>	<u>100.00</u>	<u>8735.68</u>	<u>100.00</u>
Spares Parts - Imported	16.20	10.50	4.51	3.17
Spares Parts - Indigenous	138.06	89.50	137.74	96.83
	<u>154.26</u>	<u>100.00</u>	<u>142.25</u>	<u>100.00</u>
<b>(D) VALUE OF IMPORTS ON C.I.F. BASIS</b>				
Raw Materials		2653.97		2208.84
Spares		15.09		4.51
Capital Goods		14.49		37.44
Goods purchased		26.10		22.31
<b>(E) EXPENDITURE IN FOREIGN CURRENCY</b>				
Travelling Expenses		4.46		3.43
Commission		27.36		6.08
Others		5.13		4.75
<b>(F) EARNINGS IN FOREIGN EXCHANGE</b>				
Export of Goods on F.O.B. Basis		2517.50		1104.58
Export of Marketing Services		42.69		—
<b>(G) AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND</b>				
(a) No. of Shareholders		1		1
(b) No. of shares held		6698325		6698325
(c) Amount remitted		66.98		66.98
(d) Year to which dividend relates		2007-2008		2006-2007

**Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date**

**SCHEDULE "6"**

**NOTES ON ACCOUNTS:**

	Year ended/ as on 31st March, 2009 Rs. in lakhs	Year ended/ as on 31st March, 2008 Rs. in lakhs
1		
Miscellaneous Income (Schedule 2)/ Miscellaneous Expenses (Schedule 4) include:		
– Foreign exchange gains/(loss) (net)	88.45	(30.38)
2		
Other remuneration to Managing Director		
(1) Contribution to Provident & Other Funds	9.15	8.31
(2) Performance bonus	–	2.28
(3) Reimbursement of medical expenses	–	0.15
3		
Payment to Auditors:		
(1) Audit Fee	6.00	6.00
(2) For Other Services	0.85	0.85
(3) Taxation Matters	–	0.37
(4) Reimbursement of Expenses	1.20	1.43
4		
Contingent Liabilities:		
(a) (i) Demands of Excise authorities which are disputed in appeals by the Company	458.06	452.50
(ii) Appeals filed by Excise authorities in the Supreme Court of India against orders passed by CESTAT in favour of the Company	251.19	251.19
(iii) Other excise demands	154.71	156.33
The ultimate outcome of the above matters cannot be presently determined and hence no provision for the same is made in the Accounts		
(b) Claims against the Company not acknowledged as debts - estimated	307.15	288.61
5		
Bank of Maharashtra has sanctioned working capital facilities which are secured by hypothecation of stocks and book debts and by a charge by way of an equitable mortgage by deposit of title deeds over the following immovable properties of the Company:		
– Plot No. 76, MIDC Industrial Estate, Satpur, Nasik.		
– Plot Nos. C-13 and C-16, Wagle Industrial Estate, Thane.		
– Office blocks admeasuring 5640 sq.ft. at Block 'D', Shivsagar Estate, Worli, Mumbai.		
6		
During the year ended 31st December, 1997 the Company revalued its Head Office premises resulting in net increase in value of buildings by Rs. 448.50 lakhs which was credited to Revaluation Reserve. On a review of the value of the premises on current basis and based on a valuation report, the Company wrote down the revalued amount by Rs. 160 lakhs (net) during the period ended 31st March, 2004.		
Depreciation in respect of the said premises has been computed on the adjusted value after taking into consideration its revised balance life as per the Valuation Report. Proportionate depreciation on revaluation amounting to Rs. 12 lakhs (Previous year Rs. 12 lakhs) has been transferred to the Profit and Loss Account from the Revaluation Reserve.		
7		
In terms of the agreement with Kalpataru Ltd (KL) (formerly known as Kalpataru Homes Ltd) 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 Rs. 245 lakhs. The delay in the realisation is on account of the pendency of arbitration proceedings. As the realisation of this amount is underwritten by KL, the management is confident of full recovery of non-core dues in due course.		
The Profit/(Loss) on realisation of non-core assets (which is on KL's account) has been disclosed in Schedule 4, as "Charges/(Recovery) on realisation of non-core assets".		

## **Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date**

8 The Company does not have the information whether the creditors are small scale and ancillary industrial undertaking, as defined by "The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertaking Act, 1992." Hence, amounts which were overdue and outstanding at the close of the year payable to the said Industrial Undertakings are not ascertainable. Similarly, Suppliers/Service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed under Section 22 of the said Act is not given.

9. Segment Reporting as per AS 17:

The Company is engaged mainly in processing of plastic polymers and after considering the nature of raw materials, class of customers and the methods of sales & distribution of the products, the Board is of the considered view that the Company's products are covered under a single reportable segment as per Accounting Standard on Segment Reporting (AS 17) issued by ICAI.

10. Related Party Disclosure as per AS 18:

(i) List of Related Parties:

(a) Enterprise where control exists

Holding Company:

- INEOS Films GmbH
- INEOS Vinyls Deutschland GmbH
- INEOS Vinyls Limited
- INEOS Vinyls Holdings Limited
- Hawkslease Finance Company Limited
- INEOS Vinyls Group Limited
- INEOS Holdings Limited
- INEOS Group Holdings Plc
- INEOS Intermediate Holdings Limited
- INEOS Investment Holdings Limited
- INEOS Group Limited

(b) Related parties with whom the Company had transactions including Fellow subsidiaries

- INEOS Films GmbH
- INEOS Vinyls UK Limited
- INEOS Films SPA
- INEOS Films Staufen GmbH
- INEOS Vinyls Sales GmbH
- INEOS Melamines

(c) Indian Promoters: Mr. M.P. Munot, Mr. S.A. Gandhi and Mr. S.K. Dalmia, Directors, their relatives and their associate companies.

(ii) Relationship:

(a) INEOS Films GmbH, which is part of Ineos group, hold 51% of the Share Capital of the Company.

(b) Indian Promoters hold in aggregate over 20% of the Share Capital of the Company.

(iii) Key Management Personnel

(a) Mr. R. Balasubramanian - Managing Director

(b) Mr. David Thompson - Director

(c) Mr. Steve Reynolds - Director



**Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date**

	Year ended/ as on 31st March, 2009 Rs. in lakhs	Year ended/ as on 31st March, 2008 Rs. in lakhs
(iv) Transactions during the year with related parties - Nature of transaction		
(a) Purchases of materials and others from Ineos group of companies	386.46	83.65
Purchases of machineries from Ineos group of companies	9.38	19.13
(b) Sale of consummables to Ineos group of companies	-	0.70
(c) Income from Export of Marketing Services	42.69	-
(d) Commission expenses on Export Sales	35.97	-
(e) Managerial remuneration		
(i) Gross salary including taxable perquisites	38.33	39.30
(ii) Contribution to Provident and Other Funds	9.15	8.31
The above figures exclude provision for gratuity and leave encashment which are actuarially determined on an overall company basis.		
(f) Interest Income - Indian Promoters	14.70	14.74
(g) Sundry Creditors as at year end	99.46	170.54
11. Disclosure of Leases as per AS 19:		
The Company has various operating leases for offices, godowns and residential premises for employees that are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases recognised in the Profit and Loss Account for the year is Rs. 23.94 lakhs (Previous year Rs. 20.86 lakhs). Company does not have any non-cancellable operating leases as on date.		
12. Earning per Share as per AS 20:		
(i) Net Profit available for equity shareholders	334.94	179.80
(ii) No. of equity shares	13133971	13133971
(iii) Basic & Diluted Earning per share (Face value of Rs. 10 each) in Rs.	2.55	1.37
13. Accounting for Taxes on Income as per AS 22:		
Deferred tax assets/liability(-) is as under:		
(i) Difference between book and tax depreciation	(341.43)	(361.72)
(ii) Deduction allowable on payment basis under the Income Tax Act.	219.21	196.94
(iii) Provision for doubtful debts & advances	65.22	60.78
<b>Total</b>	<b>(57.00)</b>	<b>(104.00)</b>

14. Details of movement in provision in accordance with AS 29:

	Opening balance Rs. in lakhs	Provision for the year Rs. in lakhs	Provision reversed/ paid/adjusted Rs. in lakhs	Closing balance Rs. in lakhs
Provision for taxation (net)	170.47	224.00	210.46	184.01
Proposed dividend	131.34	197.01	131.34	197.01
Corporate tax on dividend	22.33	33.48	22.33	33.48
Provision for doubtful debts/advances	178.81	78.86	65.78	191.89
Others	77.95	0.00	0.00	77.95

Outflow in respect of above provisions (other than Proposed dividend & Corporate tax on dividend) both timing and certainty would depend on development or outcome of these events.

## Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date

	Year ended/ as on 31st March, 2009 Rs. in lakhs	Year ended/ as on 31st March, 2008 Rs. in lakhs	Year ended/ as on 31st March, 2009 Rs. in lakhs	Year ended/ as on 31st March, 2008 Rs. in lakhs
<b>15 EMPLOYEE BENEFITS AS PER AS 15:</b>				
<b>(A) Contribution to Defined Contribution Plan recognised in the Profit and Loss Account are as under:</b>				
(i) Employer's contribution to Provident/Pension Fund			49.48	46.57
(ii) Employer's contribution to Superannuation Fund			9.66	7.98
<b>(B) The Company operates Defined Benefit Plan for</b>				
<b>(i) Employees gratuity scheme which is funded and</b>				
<b>(ii) Employees leave encashment scheme which is not funded</b>				
The disclosures in relation thereto are as under:				
	Gratuity	Gratuity	Leave encashment	Leave encashment
<b>(a) Reconciliation of opening and closing balances of obligation</b>				
Present value of obligation as at the beginning of the year	266.24	242.30	109.16	100.11
Interest cost	20.42	18.16	7.88	8.01
Current service cost	21.15	19.61	12.32	10.94
Benefits paid	(21.93)	(30.69)	(21.34)	(21.22)
Actuarial (gain)/loss on obligation	2.88	16.86	28.80	11.32
Present value of obligation as at the end of the year	288.76	266.24	136.82	109.16
<b>(b) Reconciliation of opening and closing balances of fair value of plan assets</b>				
Fair value of plan assets as at the beginning of the year	243.86	216.59	–	–
Expected return on plan assets	20.63	18.42	–	–
Contribution	22.38	25.47	–	–
Benefits paid	(21.93)	(30.69)	–	–
Actuarial gain/(loss) on plan assets	(12.96)	14.07	–	–
Fair value of plan assets as at the end of the year	251.98	243.86	–	–
<b>(c) Reconciliation of fair value of assets and obligation</b>				
Present value of obligation as at the end of the year	288.76	266.24	136.82	109.16
Fair value of Plan assets as at the end of the year	(251.98)	(243.86)	–	–
Amount recognised in the Balance sheet	36.78	22.38	136.82	109.16
<b>(d) Expense recognised during the year</b>				
Current service cost	21.15	19.61	12.32	10.94
Interest cost	20.42	18.16	7.88	8.01
Expected return on plan assets	(20.63)	(18.42)	–	–
Actuarial (gain)/loss	15.84	2.79	28.80	11.32
Service cost net of contribution	–	0.24	–	–
Expenses recognised during the year	36.78	22.38	49.00	30.27
<b>(e) Actuarial assumptions (per annum)</b>				
Discount rate	8%	8%	8%	8%
Expected return on plan assets	8%	8%	–	–
Salary escalation	6%	6%	6%	6%

**Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date**

16. ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

I. Registration details:	
Company Identification No.	L29150MH1946PLC004877
State Code	11
Balance Sheet Date	31-03-2009
II. Capital raised during the year: (Amount in Rs. Thousands)	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
III. Position of Mobilisation and Deployment of Funds: (Amount in Rs. Thousands)	
Total Liabilities	918007
Total Assets	918007
Sources of Funds:	
Paid-up Capital	131340
Reserves & Surplus	780967
Secured Loans	0
Unsecured Loans	0
Deferred Tax	5700
Application of Funds:	
Net Fixed Assets	302204
Investments	0
Net Current Assets	615803
Miscellaneous Expenditure	0
Accumulated Losses	0
IV. Performance of Company: (Amount in Rs. Thousands)	
Turnover	1736889
Total Expenditure	1685695
Profit Before Tax	51194
Profit After Tax	33494
Earning Per Share (In Rs.)	2.55
Dividend Rate (In %)	15.00%
V. Generic Names of Three Principal Products/Services of Company (As per Monetary terms)	
Item Code Nos. (ITC Code)	Product Description
(i) 392041.00	PVC Films & Sheeting - Rigid
(ii) 392042.00	PVC Films & Sheeting - Flexible
(iii) 391690.27	Polypropylene Boards

## Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date

### 17. SIGNIFICANT ACCOUNTING POLICIES:

- (a) **System of Accounting:**  
The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, mandatory Accounting Standards notified by the Companies (Accounting Standards) Rule, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The management has made certain estimates and assumptions in conformity with the GAAP in the preparation of these financial statements. The difference between actual results and estimates are recognised in the period in which the results are known.
- (b) **Fixed Assets:**  
Fixed Assets are stated at cost of acquisition or construction except head office building which is stated at its revalued amount. All costs including financing costs if any, till commencement of commercial production are capitalised. In respect of assets acquired under lease, lease rentals paid are charged to the Profit and Loss Account. Assets under disposal are stated at lower of cost or net realisable value.  
Intangible assets comprising of Computer software are amortised over a period of five years.
- (c) **Depreciation:**  
Depreciation has been calculated as per Schedule XIV of the Companies Act, 1956. Depreciation on main Plant & Machinery is provided on SLM basis and depreciation on all other assets is provided on WDV basis. Depreciation on revaluation is adjusted against Revaluation Reserve.
- (d) **Inventories:**  
Inventories are valued at the lower of cost or net realisable value. Cost is arrived on weighted average basis and includes allocable production/administrative overheads and excise duty, where applicable.
- (e) **Investments:**  
Long term investments are carried at cost. Current investments are carried at the lower of cost or quoted/fair value, computed category wise.
- (f) **Transactions in foreign currency:**  
Foreign Currency assets and liabilities are translated at the rates ruling at the year end. Exchange differences arising from such transactions are dealt with in the Profit & Loss Account.
- (g) **Sales:**  
Sale of goods is recognised on shipments or despatches to customers. Gross sales include excise duty, but exclude sales tax and are net of incentives, discounts and rebates.
- (h) **Retirement Benefits:**  
Liability for gratuity and unencashed leave are provided based on actuarial valuation.
- (i) **Impairment of assets:**  
The carrying amount of assets is reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exist, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating units exceeds its recoverable amount.
- (j) **Taxes on income:**  
Tax expense comprises both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed as at each Balance Sheet date to reassess realisation.
- (k) **Provisions and Contingencies:**  
Provisions are recognised when the Company has a legal and constructive present obligation as a result of past event for which it is probable that outflow of resources will be required and a reliable estimate can be of the amount of the obligation. Contingent liabilities are disclosed when there is a possible obligation that may result in an outflow of resources. Contingent assets are neither recognised nor disclosed.

18. Previous year figures have been regrouped/recast wherever necessary.

As per our report attached  
for M. P. CHITALE & CO.  
*Chartered Accountants*

MURTUZA VAJIHI  
*Partner*

K. R. VISWANATHAN  
*V. P. (Finance) &  
Company Secretary*

R. BALASUBRAMANIAN

*Managing Director*

S. J. REYNOLDS  
S. A. GANDHI  
R. K. KULKARNI  
S. B. ZAVERI

} *Directors*

Mumbai,  
Dated : 29th May, 2009

**Cash Flow Statement for the year ended 31st March, 2009**

	<b>For the year ended 31st March, 2009 Rs. in lakhs</b>	<b>For the year ended 31st March, 2008 Rs. in lakhs</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax	511.94	301.80
Adjustments for:		
Normal depreciation	406.95	406.27
Loss/(Profit) on Fixed Assets sold/scrapped (net)	(3.05)	(1.74)
Interest	1.58	0.31
Operating Profit before working capital changes	917.42	706.64
Changes in:		
Trade & other receivables	(200.89)	(168.00)
Inventories	458.24	(76.92)
Trade Payables	380.95	(85.31)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1555.72</b>	<b>376.41</b>
Interest	(1.58)	(0.31)
Direct taxes paid	(224.00)	(153.00)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>1330.14</b>	<b>223.10</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(83.75)	(319.43)
Sale of Fixed assets	6.75	8.94
Sale/ (Purchase) of Investments (Net)	201.37	(1.37)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>124.37</b>	<b>(311.86)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(153.67)	(153.67)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(153.67)</b>	<b>(153.67)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A + B + C)</b>	<b>1300.84</b>	<b>(242.43)</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR</b>	<b>1023.27</b>	<b>1265.70</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>2324.11</b>	<b>1023.27</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>1300.84</b>	<b>(242.43)</b>

As per our report attached  
for M. P. CHITALE & CO.  
Chartered Accountants

R. BALASUBRAMANIAN

Managing Director

S. J. REYNOLDS  
S. A. GANDHI  
R. K. KULKARNI  
S. B. ZAVERI

Directors

Mumbai,  
Dated : 29th May, 2009

MURTUZA VAJHI  
Partner

K. R. VISWANATHAN  
V. P. (Finance) &  
Company Secretary

## 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. **SUNVIC:**  
Rigid PVC films are used for a variety of specialised market, like stationery, batteries, cards, etc.
4. **SUNFLEX:**  
Flexible PVC Sheeting produced in a wide range of colours, embossing designs and prints.  
  
Uses: Tablecovers, rain coats, windsheaters, marine jackets, handbags, diary covers, folders and other stationery items, air balloons, anti static covers, cable and other industrial uses.
5. **SUNLAC, SUNSTRENE, SUNTHENE & SUNLENE:**  
Extruded sheets in various polymers such as ABS, HIPS, HDPE & PP for industrial applications.
6. **SUNPAC:**  
Flute Board.  
  
Uses: For packaging, publicity, temporary shelters, partitions, light diffuser, panelling and advertising purposes.
7. **SUN BOARD:**  
Rigid PVC Foam Board used for Building Industry for panelling, partitions and also for advertising purposes.

## Our Exports

The following are among the countries, we have been exporting to:

AUSTRALIA	ETHIOPIA	KUWAIT	PHILIPPINES	UAE
BAHRAIN	GHANA	MADAGASCAR	SAUDI ARABIA	UGANDA
BANGLADESH	GREECE	MALAYSIA	SOUTH AFRICA	VIETNAM
BRAZIL	GUATEMALA	MAURITIUS	SRI LANKA	YEMEN
COLUMBIA	ITALY	NIGERIA	SUDAN	
EGYPT	JORDAN	PERU	SYRIA	
EL-SALVADOR	KENYA	PARAGUAY	TANZANIA	

## Financial Position at a Glance

(Rupees in lakhs)

	31.12.1999	31.12.2000	31.12.2001	31.12.2002	31.03.2004 (15 Months)	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009
<b>WE OWNED</b>										
Fixed Assets	4094.60	3317.04	2851.05	2469.34	2156.45	2065.87	2119.61	3466.98	3360.94	3022.04
Investments	34.44	34.42	23.40	-	-	-	-	200.00	201.37	-
Inventories	3398.06	3033.46	1952.68	2276.62	2054.61	2114.29	2363.88	2761.93	2838.85	2380.61
Receivables	3448.15	2801.31	2804.65	3377.65	3488.35	3854.84	3624.64	3902.23	4118.37	4571.11
Liquid Funds	275.93	301.13	444.30	572.37	1738.07	1425.34	2448.02	1265.70	1023.27	2324.11
Advances	1943.34	1597.33	1048.23	1002.61	608.97	431.90	371.76	632.43	584.29	332.44
	<b>13194.52</b>	<b>11084.69</b>	<b>9124.31</b>	<b>9698.59</b>	<b>10046.45</b>	<b>9892.24</b>	<b>10927.91</b>	<b>12229.27</b>	<b>12127.09</b>	<b>12630.31</b>
<b>WE OWNED</b>										
Institutional Loans	2068.06	1865.94	581.37	655.88	695.65	-	-	-	-	-
Other Loans	1039.40	512.45	-	-	-	-	-	-	-	-
Payable & Provisions	3425.35	2416.45	2066.86	2190.48	2160.86	1790.51	2271.40	3059.11	2942.80	3276.75
Dividends	-	-	-	-	-	-	149.76	153.67	153.67	230.49
	<b>6532.81</b>	<b>4794.84</b>	<b>2648.23</b>	<b>2846.36</b>	<b>2856.51</b>	<b>1790.51</b>	<b>2421.16</b>	<b>3212.78</b>	<b>3096.47</b>	<b>3507.24</b>
<b>NET WORTH</b>										
Share Capital	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40	1313.40
Reserves & Surplus	7821.47	7419.97	6888.97	6870.97	6690.47	6794.63	7193.35	7703.09	7717.22	7809.67
Others	(2473.16)	(2443.52)	(1726.29)	(1332.14)	(813.93)	(6.30)	-	-	-	-
	<b>6661.71</b>	<b>6289.85</b>	<b>6476.08</b>	<b>6852.23</b>	<b>7189.94</b>	<b>8101.73</b>	<b>8506.75</b>	<b>9016.49</b>	<b>9030.62</b>	<b>9123.07</b>
	<b>13194.52</b>	<b>11084.69</b>	<b>9124.31</b>	<b>9698.59</b>	<b>10046.45</b>	<b>9892.24</b>	<b>10927.91</b>	<b>12229.27</b>	<b>12127.09</b>	<b>12630.31</b>
<b>What We Earned and Spent</b>										
<b>EARNINGS</b>	<b>9557.52</b>	<b>10577.00</b>	<b>9926.41</b>	<b>10892.34</b>	<b>15154.79</b>	<b>14191.84</b>	<b>14223.01</b>	<b>14609.73</b>	<b>14642.02</b>	<b>17022.36</b>
<b>OUTGOINGS:</b>										
Materials	4631.55	5491.27	4782.21	5955.05	8333.12	8432.20	8193.98	8466.85	8910.59	10745.76
Excise	1506.87	1319.60	1124.57	1287.64	1828.68	1754.19	1777.74	1746.87	1792.23	1560.20
Expenses	3563.36	3923.45	3441.82	2856.36	3932.09	3131.62	3270.37	3274.96	3231.13	3797.51
Depreciation	458.90	416.25	388.60	382.54	475.17	314.69	278.14	301.67	418.27	418.95
Trf. from revaluation reserve	(36.00)	(26.25)	(18.00)	(18.00)	(20.50)	(12.00)	(12.00)	(12.00)	(12.00)	(12.00)
	<b>10124.68</b>	<b>11124.32</b>	<b>9719.20</b>	<b>10463.59</b>	<b>14548.56</b>	<b>13620.70</b>	<b>13508.23</b>	<b>13778.35</b>	<b>14340.22</b>	<b>16510.42</b>
Profit/(Loss) before extraordinary items & tax	(567.16)	(547.32)	207.21	428.75	606.23	571.14	714.78	831.38	301.80	511.94
Extraordinary income/(expense)	(230.57)	222.87	(122.32)	(20.33)	(99.14)	361.55	(6.30)	197.03	-	-
Tax Provision	-	-	-	2.60	2.60	28.10	148.00	353.00	122.00	177.00
Net Profit/(Loss)	(797.73)	(324.45)	84.89	405.82	504.49	904.59	560.48	675.41	179.80	334.94
Dividends	-	-	-	-	-	-	149.76	153.67	153.67	230.49
	<b>(797.73)</b>	<b>(324.45)</b>	<b>84.89</b>	<b>405.82</b>	<b>504.49</b>	<b>904.59</b>	<b>410.72</b>	<b>521.74</b>	<b>26.13</b>	<b>104.45</b>

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