



67th ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS AS ON 2nd AUGUST, 2013

| | |
|------------------------|--|
| MR. MOFATRAJ P. MUNOT | Chairman |
| MR. ROBIN BANERJEE | Managing Director (<i>w.e.f. 29th April, 2013</i>) |
| MRS. NAINA P. HEGDE | Dy. Managing Director (<i>w.e.f. 25th October, 2012</i>) |
| MR. SURESH A. GANDHI | Director |
| MR. RAKESH KHANNA | Director |
| MR. RAHUL G. DIVAN | Director |
| MR. DHAVAL K. VUSSONJI | Director |
| MR. KRISHNAVA S. DUTT | Director (<i>w.e.f. 7th December, 2012</i>) |

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

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-seventh Annual General Meeting of the Shareholders of **CAPRIHANS INDIA LIMITED** will be held on **FRIDAY, the 6TH SEPTEMBER, 2013 at 4.00 p.m.** at the **RAVINDRA NATYA MANDIR, MINI THEATRE, 3rd FLOOR, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai-400 025**, to transact the following business:

1. To consider and adopt the Balance Sheet as at 31st March 2013 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. Mofatraj P. Munot who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Rakesh Khanna who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Rahul G. Divan who retires by rotation and is eligible for re-appointment.
6. To appoint a Director in place of Mr. Dhaval K. Vussonji who retires by rotation and is eligible for re-appointment.
7. 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, (Reg. No: 101851 W) the retiring Auditors are eligible for re-appointment.
8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.
“**RESOLVED** that Mr. Krishnava S. Dutt be and is hereby appointed as a Director of the Company liable to retire by rotation”.
9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED** that Mrs. Naina P. Hegde be and is hereby appointed as a Director of the Company, whose period of office will not be subject to determination by retirement by rotation.”
10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
“**RESOLVED** that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII thereto, consent of the Company be and is hereby accorded to the appointment of Mrs. Naina P. Hegde as Deputy Managing Director of the Company for a period of five years with effect from 25th October, 2012 and payment of remuneration to her for a period of three years with effect from 25th October, 2012 upon and subject to the terms and conditions as set out in the Explanatory Statement attached to this Notice.”
“**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to vary the said terms and conditions and/or remuneration payable to Mrs. Naina P. Hegde in such manner as the Board of Directors considers appropriate, provided, however, the terms of such appointment and/or remuneration are subject to the conditions/limits set out in Schedule XIII to the Act, or any amendments thereto.”
“**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be considered desirable or expedient to give effect to this Resolution.”
11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“**RESOLVED** that Mr. Robin Banerjee be and is hereby appointed as a Director of the Company, whose period of office will not be subject to determination by retirement by rotation.”
12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
“**RESOLVED** that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII thereto, consent of the Company be and is hereby accorded to the appointment of Mr. Robin Banerjee as Managing Director of the Company for a period of five years with effect from 29th April, 2013 and payment of remuneration to him for a period of three years with effect from 29th April, 2013 upon and subject to the terms and conditions as set out in the Explanatory Statement attached to this Notice.”
“**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to vary the said terms and conditions and /or remuneration payable to Mr. Robin Banerjee in such manner as the Board of Directors considers appropriate, provided, however, the terms of such appointment and/or remuneration are subject to the conditions set out in Schedule XIII to the Act, or any amendments thereto.”
“**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as may be considered desirable or expedient to give effect to this Resolution.”

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: 2nd August, 2013.

NOTES:

- (a) An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Item Nos. 8 to 12 is annexed herewith (Annexure I). Pursuant to Clause 49 of the Listing Agreement, the relevant details in respect of Item Nos. 3 to 6, 8, 9 and 11 is annexed herewith (Annexure II).
- (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 MONDAY, 26TH AUGUST, 2013 to FRIDAY, 6TH SEPTEMBER, 2013 (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 6th September, 2013.
- (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, 2012 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Annexure (I) to the Notice Dated 2nd August, 2013

Item No. 8

Mr. Krishnav S. Dutt was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 7th December, 2012 under Article 152 of the Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 Mr. Krishnav S. Dutt will hold office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 together with the required deposit signifying the intention to propose the appointment of Mr. Krishnav S. Dutt as a Director of the Company liable to retire by rotation.

Mr. Krishnav S. Dutt filed his consent with the Company to act as a Director of the Company, if appointed as required by Section 264(1) of the Companies Act, 1956. His qualifications, experience and other particulars are hereby mentioned in the Annexure II. to this notice.

Mr. Krishnav S. Dutt is interested in the Resolution relating to his appointment.

None of the other Directors of the Company is concerned or interested in this Resolution.

The Board recommends this Resolution for your approval.

Item No. 9

The Board of Directors of the Company (the Board) at its meeting held on 25th October 2012 appointed Mrs. Naina P. Hegde as an Additional Director under Article 152 of the Articles of Association of the Company and designated as Deputy Managing Director of the Company. Pursuant to Section 260 of the Companies Act, 1956, (the Act) she will hold office upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received a Notice in writing from a member under Section 257 of the Act together with the required deposit signifying his intention to propose the appointment of Mrs. Naina P. Hegde as a Director of the Company. Mrs. Naina P. Hegde has filed her consent with the Company under Section 264(1) of the Act to act as a Director of the Company, if appointed.

In view of Mrs. Naina P. Hegde's qualifications as Chartered Accountant and her experience for 20 years at various fields and other particulars (as mentioned in Annexure II to this notice), the Directors consider that it will be in the interest of the Company to appoint Mrs. Naina P. Hegde as a Director.

Hence approval is sought from the Members of the Company for her appointment by an Ordinary Resolution.

None of the Directors of the Company except Mrs. Naina P. Hegde is concerned or interested in this Resolution

Item No. 11

The Board of Directors of the Company (the Board) at its meeting held on 28th March 2013 appointed Mr. Robin Banerjee as an Additional Director under Article 152 of the Articles of Association of the Company and designated as the Managing Director of the Company effective 29th April, 2013. Pursuant to Section 260 of the Companies Act, 1956, (the Act) he will hold office upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received a Notice in writing from a member under Section 257 of the Act together with the required deposit signifying his intention to propose the appointment of Mr. Robin Banerjee as a Director of the Company. Mr. Robin Banerjee has filed his consent with the Company under Section 264(1) of the Act to act as a Director of the Company, if appointed.

In view of Mr. Robin Banerjee's qualifications as Chartered Accountant, Cost Accountant and Company Secretary and his experience for 32 years at various fields and other particulars (as mentioned in Annexure II to this notice), the Directors consider that it will be in the interest of the Company to appoint Mr. Robin Banerjee as a Director.

Hence approval is sought from the Members of the Company for his appointment by an Ordinary Resolution.

None of the Directors of the Company except Mr Robin Banerjee is concerned or interested in this Resolution

Item Nos. 10 & 12

Appointment and payment of remuneration to Dy. Managing Director and Managing Director

The information required in terms of Part II, Section II-1(B) of Schedule XIII to the Act is given below.

I. General Information

The Company is engaged in the business of manufacture of Rigid and Flexible PVC film by Calendering process and Plastic Extruded products. It has manufacturing facilities at Thane and Nasik and Branch offices in 8 cities. The Company started commercial production in the year 1957.

The Company had taken a number of steps to improve sales and reduce costs as mentioned in III (Other information Paragraph 2) herein below as a result of which the Company has started making profits again from the year 2001. The Company's gross turnover for the year 31st March, 2013 amounted to Rs. 24205 lakhs as compared to Rs. 21108 lakhs in the previous year. The Company earned a profit (before tax) of Rs. 1039 lakhs as compared to Rs. 1068 lakhs in the previous year. Earnings per share for 2013 was Rs. 5.17 as compared to Rs. 5.43 in the previous year. Exports amounted to Rs. 2709 lakhs and Imports amounted to Rs. 4205 lakhs. As on 31st March 2013, the paid up capital of the Company was Rs. 1313 lakhs and the Reserves stood at Rs. 9263 lakhs. 51% of the paid up share capital is held by Bilcare Research GmbH, which is part of the Bilcare group.

II. Information about Mrs. Naina P. Hegde and Mr. Robin Banerjee

(a) Mrs. Naina P. Hegde:

Mrs. Naina P. Hegde is a qualified Chartered Accountant. She became Deputy Managing Director effective 25th October, 2012, having an experience of over 20 years. She has exposure to real estate industry, agro chemicals and pharmaceuticals, appliances industry and media & entertainment industry.

The details of remuneration to Mrs. Naina P. Hegde is mentioned in IV herein below.

The remuneration payable is comparable to the remuneration paid to persons holding similar position in other companies of similar size as that of the Company.

Mrs. Naina P. Hegde does not hold any equity shares of the Company. She does not have any other pecuniary relationship directly or indirectly with the Company. She does not have any relationship with the managerial personnel of the Company.

(b) Mr. Robin Banerjee:

Mr. Robin Banerjee is qualified as Chartered Accountant, Cost Accountant and Company Secretary having Associate Membership of the respective Institutes in India. He became Director of the Company on 28th March, 2013 and Managing Director effective 29th April, 2013. He has over 32 years of professional experience in the Corporate Management, including strategic planning, mergers & acquisitions, corporate finance and strategic business development.

The details of remuneration to Mr. Robin Banerjee is mentioned in IV herein below.

The remuneration payable is comparable to the remuneration paid to persons holding similar position in other companies of similar size as that of the Company.

Mr. Robin Banerjee does not hold any equity shares of the Company. He does not have any other pecuniary relationship directly or indirectly with the Company. He does not have any relationship with the managerial personnel of the Company.

III. Other Information

The Company is making profits from the year 2001. The profitability of PVC calendering operation is adversely affected due to weak prices of PVC film manufactured by the Company due to strong competition in an over supplied market.

Considering the long term interest, the company is re-engineering its organisation to reduce the cost and improve customer services. The Company introduced additional control systems and procedures. The Company has also substituted expensive imported raw materials with domestic raw materials and has computerised several areas of operations. Due to various measures taken above, the Company has been successful in increasing the market share in Rigid Films and realisation of better prices. The export efforts have also started yielding good results.

The financial performance for the last 5 years are as under:

| Year Ended | Turnover Rs. in lakhs | Profit after tax Rs. in lakhs | FOB value of exports Rs. in lakhs | Earning Per Share in Rs. |
|------------|--------------------------|----------------------------------|--------------------------------------|-----------------------------|
| 31.03.08 | 14109 | 180 | 1105 | 1.37 |
| 31.03.09 | 17369 | 335 | 2560 | 2.55 |
| 31.03.10 | 17784 | 502 | 2396 | 3.82 |
| 31.03.11 | 20327 | 742 | 2400 | 5.65 |
| 31.03.12 | 21108 | 714 | 2709 | 5.43 |

The Company is hopeful of maintaining/improving the productivity and profitability.

IV. Remuneration of Mrs. Naina P. Hegde:

The remuneration payable to Mrs. Naina P. Hegde has been approved by the Remuneration Committee at its meeting held on 25/10/2012. The remuneration to be paid to her as well as the other terms and conditions of appointment are within the limits as specified under Schedule XIII of the Companies Act, 1956. The terms and conditions of appointment are as under:-

1. Period of Appointment : Five years with effect from 25th October, 2012
2. Salary : Salary of Rs. 2,00,000 (Rupees Two lakhs) per month in the scale of Rs. 2,00,000 – 4,00,000 per month, with authority to the Board to increase the salary within this scale. The annual increment will be decided by the Board.
3. House Rent Allowance : Rs. 1,35,000/- per month
4. Medical Reimbursement : Expenses incurred by Mrs. Naina P. Hegde and her family subject to ceiling of Rs. 15,000/- per annum.
5. Leave Travel Assistance : For Mrs. Naina P. Hegde and her family once in a year subject to ceiling of Rs. 62,000/- per annum.
6. Group Personal Accident Insurance & Medclaim : Premium to be paid in accordance with the rules of the Company.

'Family' mentioned above means the spouse, dependent parents and dependent children.

Car petrol expenses and Mobile Telephone expenses for official purposes are to be reimbursed at actuals.

Mrs. Naina P. Hegde will be permitted to encash accumulated leave at the end of her tenure in accordance with the rules of the Company.

The appointment may be terminated by either party giving the other party three months notice.

The Company's contribution to Provident Fund to the extent not taxable under the Income-Tax Act, 1961 for the time being in force. Gratuity payable as per rules of the Company and encashment of leave at the end of the tenure as per rules of the Company shall not be included in the computation of limits for the remuneration or perquisites and allowances aforesaid.

Minimum Remuneration:

Where in any financial year during the currency of the tenure of Mrs. Naina P. Hegde the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as mentioned above as minimum remuneration, subject to the provisions of Schedule XIII to the Companies Act 1956. The terms and conditions of the said appointment and/or remuneration may be varied from time to time in such manners as the Board of Directors considers appropriate provided that the terms of such appointment and/or remuneration are subject to the conditions/limits set out in Schedule XIII of the Companies Act, 1956 or any amendments thereto.

So long as Mrs. Naina P. Hegde functions as Deputy Managing Director she shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

Mrs. Naina P. Hegde shall carry out such functions and exercise such powers and carry out such duties as may be entrusted to her by the Board/Managing Director from time to time.

Though the appointment is for a period of 5 years, approval of the shareholders for the remuneration is presently sought for 3 years in terms of Schedule XIII to the Act.

A copy of the abstract sent to the Members under Section 302 of the Companies Act, 1956 is open for inspection at the registered office of the Company between 10.00 a.m. to 12.00 noon on any working day until the date of the Annual General Meeting or any adjournment or adjournments thereof.

Approval of the shareholders is sought for the appointment of and payment of remuneration to Mrs. Naina P. Hegde.

None of the Directors of the Company, other than Mrs. Naina P. Hegde is concerned or interested in the above Resolution.

The Board recommends the above Resolutions for your approval.

Remuneration of Mr. Robin Banerjee:

The remuneration payable to Mr. Robin Banerjee has been approved by the Remuneration Committee at its meeting held on 28/03/2013. The remuneration payable to him is in terms of Part II Section II C of Schedule XIII of the Companies Act 1956. The terms and conditions of appointment are as under:-

1. Period of Appointment : Five years with effect from 29th April, 2013.
2. Remuneration : Salary, allowances and incentive, as approved by the Board.
3. Perquisites : In addition to the above Mr. Robin Banerjee shall be entitled to perquisites which shall include House Rent Allowance, Reimbursement of Medical Expenses, Telephone expenses at residence, Chauffeurs salary, Leave Travel Assistance for self and family, Club Fees, Premium on personal Accident Insurance, Contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity and Encashment of Leave at the end of the tenure, as approved by the Board

The total Remuneration and Perquisites taken together shall not exceed Rs. 1,20,00,000/- (Rupees One Crore twenty lacs only) per annum.

'Family' mentioned above means the spouse, dependent parents and dependent children.

The perquisite value for above reimbursements shall be determined in accordance the Income Tax Rules in force.

The appointment may be terminated by either party giving the other party three months notice.

Mr. Robin Banerjee shall carry out such functions and exercise such powers and a carry out such duties as may be entrusted to him by the Board from time to time.

So long as Mr. Robin Banerjee functions as Managing Director he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

Though the appointment is for a period of 5 years, approval of the shareholders for the remuneration is presently sought for 3 years in terms of Schedule XIII to the Act.

A copy of the abstract sent to the Members under Section 302 of the Companies Act, 1956 is open for inspection at the registered office of the Company between 10.00 a.m. to 12.00 noon on any working day until the date of the Annual General Meeting or any adjournment or adjournments thereof.

Approval of the shareholders is sought for the appointment of and payment of remuneration to Mr. Robin Banerjee.

None of the Directors of the Company, other than Mr. Robin Banerjee is concerned or interested in the above Resolution.

The Board recommends the above Resolutions for your approval.

APPOINTMENT OF ADDITIONAL DIRECTORS:

Business relating to approval of appointment of Additional Directors as stated in the Director's Report dated 24th May, 2013, not taken up in the Annual General Meeting on account of resignation of the following Directors from the Board on 6th June, 2013, as stated hereunder:

- (1) The Board appointed Mr. Mohan H. Bhandari, as an Additional Director of the Company and designated as Vice-Chairman of the Company on 14th February, 2013. Due to pre occupation of other business commitments he could not continue in the Board and tendered his resignation and ceased to be a Director effective 6th June, 2013.
- (2) The Board appointed Mr. Bhoumick S. Vaidya as an Additional Director of the Company on 28th March, 2013. Due to pre occupation of other business commitments he could not continue in the Board and tendered his resignation and ceased to be a Director effective 6th June, 2013.

ANNEXURE II
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. Rakesh Khanna | Mr. Rahul G. Divan | Mr. Dhaval K. Vussonji | Mr. Krishnava S. Dutt | Mrs. Naina P. Hegde | Mr. Robin Banerjee |
| Date of Birth | 14th January, 1952 | 25th December, 1968 | 4th November, 1978 | 16th October, 1974 | 18th December, 1962 | 20th August, 1955 |
| Date of first appointment | 11th November, 2010 | 11th November, 2010 | 11th November, 2010 | 7th December, 2012 | 25th October, 2012 | 28th March, 2013 |
| Qualifications | B.Com (Hons), FCA | Fellow ICAEW, Fellow ICAI, Foundation (Oxford Polytechnic) | B.Com, ACA, LLB, Solicitor | BSL, LLB | B.Com., ACA | M.Com., ACA, AICWA, ACS |
| Expertise in specific functional areas and experience | Mr. Rakesh Khanna is a Chartered Accountant having experience of over 37 years. He has served the Industry and Profession in various capacities across various organisations of repute. | Mr. Rahul G. Divan is a Chartered Accountant. He is a partner in Rahul Gautam Divan & Associates and Chandabhoj & Jasoobhoj, Ahmedabad. Mr. Divan had worked in Europe with Pricewaterhouse Coopers in Latvia and Lithuania for 4 years. Primarily worked for commercial clients both in manufacturing and service sectors. Mr. Divan has expertise and specialisation in Auditing & Accounting, Taxation, Business and Management advisory services. | Mr. Dhaval K. Vussonji is a practising Advocate and Solicitor. He is a partner of M/s. Kanga & Co. Advocate & Solicitors. Mr. Vussonji regularly advises Public issuances, Merger & Amalgamations, Takeovers, Open offers, Real Estate projects, shipping contracts and International Arbitrations. | Mr. Krishnava S. Dutt is an Advocate by profession. He is the managing partner of M/s. Udayadia Udeshi & Angus Partners. He has over 14 years of experience as a legal advisor in M & A, banking and finance transactions and international banking sector. | Mrs. Naina P. Hegde is a Chartered Accountant. She became Deputy Managing Director effective 25th October, 2012 having an experience of over 20 years. She has an exposure to real estate industry, agro chemicals and pharmaceuticals, appliances industry and media & entertainment industry. | Mr. Robin Banerjee is a qualified Chartered Accountant, Cost Accountant and Company Secretary. He became Director of the Company on 28th March 2013 and Managing Director effective 29th April, 2013. He has over 32 years of professional experience in the corporate management including strategic planning, mergers & acquisitions, Corporate finance and strategic business development. |
| Directorships held in other Companies (Excluding Private Companies) | Kalpataru Ltd Kalpataru Power Transmission Ltd | Gee-Cee Ventures Ltd GCIL Finance Ltd Mangal Keshav Financial Services Ltd Mangal Keshav Insurance Brokers Ltd Mangal Keshav Securities Ltd M K Commodity Brokers Ltd Aniforge Industries Ltd | NIL | Tata Metaliks Ltd Himadri Chemicals & Industries Ltd Macmet India Ltd | NIL | Maxwell Ind Ltd |
| Committee positions held in other companies | Audit Committee Kalpataru Power Transmission Ltd - Member | Audit Committee Gee - Cee Ventures Ltd - Chairman Mangal Keshav Securities Ltd - Chairman Mangal Keshav Financial Services Ltd - Member Mangal Keshav Insurance Brokers Ltd - Member | Audit Committee NIL | Audit Committee Tata Metaliks Ltd - Chairman | Audit Committee NIL | Audit Committee NIL |
| | Shareholders/Investor Grievance Committee NIL | Shareholders/Investor Grievance Committee Gee - Cee Ventures Ltd - Member Aniforge Industries Ltd - Member | Shareholders/Investor Grievance Committee NIL | Shareholders/Investor Grievance Committee NIL | Shareholders/Investor Grievance Committee NIL | Shareholders/Investor Grievance Committee NIL |

Directors' Report

To THE MEMBERS

Your Directors present their Sixty-seventh Annual Report on the business and operations of the Company together with the audited accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS:

| | Year ended 31st March, 2013 (Rs. in Lakhs) | Year ended 31st March 2012 (Rs. in Lakhs) |
|--|--|---|
| Profit before finance cost, depreciation and tax | 1383.49 | 1405.56 |
| Finance cost | 0.30 | 0.34 |
| Depreciation | 344.12 | 337.39 |
| Profit before tax | 1039.07 | 1067.83 |
| Provision for tax | | |
| — Current Tax | 400.00 | 395.00 |
| — Deferred Tax | (40.00) | (41.00) |
| Profit after tax | 679.07 | 713.83 |
| Balance from last year | 2016.37 | 1581.51 |
| | <u>2695.44</u> | <u>2295.34</u> |
| Appropriations: | | |
| Proposed Dividend | 197.01 | 197.01 |
| Tax on Dividend | 33.48 | 31.96 |
| Transfer to General Reserve | 50.00 | 50.00 |
| Carried forward to Balance Sheet | 2414.95 | 2016.37 |
| | <u>2695.44</u> | <u>2295.34</u> |

2. DIVIDEND:

The Directors are pleased to recommend payment of dividend @ 15% on the Equity Share Capital (Rs. 1.50 per share of the value of Rs. 10/- each) for the year ended 31st March, 2013.

3. PERFORMANCE:

The Company's gross turnover for the year amounted to Rs. 24205 lakhs as compared to Rs. 21108 lakhs in the previous year. The Company earned a profit (before tax) of Rs. 1039 lakhs as compared to Rs. 1068 lakhs in the previous year.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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, 2013 and of the Profit of the Company for the year ended 31st March, 2013.
- 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.
- the annual accounts have been prepared on a going concern basis.

5. DIRECTORS:

Mr. R. Balasubramanian, had joined the Company on 23rd November, 1983 and served the Company in various capacities before being elevated to the post of Managing Director on 29th April, 2003. He retired from the services of the Company after completing his term of office on 28th April, 2013.

The Board wishes to place on record its deepest appreciation of the services rendered by Mr. R. Balasubramanian during his association spanning over a period of 30 years with the Company.

The Board appointed Mr. Amol P. Bavare as an Additional Director of the Company on 28th March, 2013. Due to preoccupation of other activities he could not continue in the Board and tendered resignation and ceased to be Director effective 24th May, 2013.

The Board wishes to place on record its appreciation of the services rendered by Mr. Amol P. Bavare during his tenure.

Re-appointment of Director liable to retire by rotation –

In terms of Section 256 of the Companies Act, 1956, Mr. Mofatraj P. Munot, Mr. Rakesh Khanna, Mr. Rahul G. Divan and Mr. Dhaval K. Vussonji are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Other informations pertaining to Mr. Mofatraj P. Munot, Mr. Rakesh Khanna, Mr. Rahul G. Divan and Mr. Dhaval K. Vussonji are provided in Corporate Governance Report annexed as Annexure – II (A) to this Report.

Additional Director(s) –

The Board of Directors at its Meeting held on 25th October, 2012 appointed Mrs. Naina P. Hegde as an Additional Director and designated her as Deputy Managing Director for a period of five years effective 25th October, 2012.

The Board appointed Mr. Krishnava S. Dutt, as an Additional Director of the Company on 7th December, 2012 and he holds office upto the date of forthcoming Annual General Meeting.

The Board appointed Mr. Mohan H. Bhandari, as an Additional Director of the Company and designated him as Vice-Chairman of the Company effective 14th February, 2013 and he holds office upto the date of forthcoming Annual General Meeting.

The Board of Directors at its Meeting held on 28th March, 2013 appointed Mr. Robin Banerjee as an Additional Director and designated him as Managing Director for a period of five years effective 29th April, 2013.

The Board appointed Mr. Bhoumick S. Vaidya as an Additional Director of the Company on 28th March, 2013 and he holds office upto the date of forthcoming Annual General Meeting.

Other information pertaining to Mrs. Naina P. Hegde, Mr. Robin Banerjee, Mr. Krishnava S. Dutt, Mr. Mohan H. Bhandari and Mr. Bhoumick S. Vaidya are provided in Corporate Governance Report annexed as Annexure – II(B) to this Report.

Necessary resolution seeking your approval for the appointment of all the above mentioned Directors and payment of Remuneration to Managing Director and Deputy Managing Director are set out in the Notice convening the forthcoming Annual General Meeting.

6. CONSERVATION OF ENERGY:

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

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 II and III 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 are eligible for re-appointment. Observations in the Auditors' report regarding Note Nos. 24(2) and 24(4) of the financial statements 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) Amendment Rules, 2011 are not being furnished as there was no employee drawing remuneration over the limits specified in the amendment rules vide GSR 289(E) dated 31.03.2011 issued by the Ministry of Corporate Affairs, New Delhi, in respect of whom, the said particulars are required to be furnished.

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: 24th May, 2013

MOFATRAJ P. MUNOT
Chairman

Annexure I to the Directors' Report

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures : 1. Rationalisation of Production planning.
2. Maintaining the improved power factor.
3. Preventive maintenance to reduce break down.
4. Optimum usage of plants and reduction of wastages.
- (b) Impact of measures at (a) above for reduction of energy consumption and the consequent cost impact on the cost of 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) Formulations have been upgraded to reduce cost and improve performance.
(c) Improved and timely technical services to the customers.
(d) Developed new source/Vendor for various processes.
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

| | Year ended 31st March, 2013 (Rs. in Lakhs) |
|---|---|
| (a) Capital | — |
| (b) Recurring | 17.85 |
| (c) Total | 17.85 |
| (d) Total R&D Expenditure as a percentage of total turnover | 0.08 |

Technology Absorption, Adaptation and Innovation:

1. Efforts in brief, made towards technology adaptation and innovation: Establishing ISO 9001:2008, 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.
3. Information regarding imported technology : 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. 2709 Lakhs.
2. Total foreign exchange
- (a) Used
- (i) CIF Value of Imports – Rs. 4205 lakhs.
(ii) Expenditure in foreign currency – Rs. 55 lakhs. (For details refer Note 23 of Notes on Financial statement)
- (b) Earned : FOB value of exports and marketing services – Rs. 2709 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 is as follows:

| Name and Designation of the Director | Category | *No of Directorships and Committee Membership/ Chairmanship (Other than Caprihans India Limited) | | |
|--|-------------------------------|--|--------------------|--------------------------|
| | | Other Directorships | **Other Membership | **Committee Chairmanship |
| Mr. Mofatraj P. Munot (Chairman) | Promoter Non-Executive | 2 | 1 | — |
| Mr. Mohan H. Bhandari (Vice Chairman) ⁽¹⁾ | Promoter Non-Executive | 3 | 1 | — |
| Mr. R.Balasubramanian (Managing Director) ⁽²⁾ | Executive | — | — | — |
| Mr. Robin Banerjee (Managing Director) ⁽³⁾ | Executive | 1 | — | — |
| Mrs. Naina P. Hegde (Dy. Managing Director) ⁽⁴⁾ | Executive | — | — | — |
| Mr. Suresh A. Gandhi | Non-Promoter Non-Executive | — | — | — |
| Mr. Rakesh Khanna | Independent Non-Executive | 8 | 4 | 3 |
| Mr. Rahul G. Divan | Independent Non-Executive | 1 | 1 | — |
| Mr. Dhaval K. Vussonji | Independent Non-Executive | — | — | — |
| Mr. Krishnava S. Dutt ⁽⁵⁾ | Independent Non-Executive | 3 | — | — |
| Mr. Bhoumick S. Vaidya ⁽⁶⁾ | Independent Non-Executive | — | — | — |
| Mr. Amol P. Bavare ⁽⁷⁾ | Independent Non-Executive | — | — | — |

(1) – Appointed as an Additional Director and designated as Vice-Chairman on 14th February, 2013.

(2) – Managing Director upto 28th April, 2013.

(3) – Appointed as an Additional Director on 28th March, 2013 and designated as Managing Director effective 29th April, 2013.

(4) – Appointed as an Additional Director and designated as Deputy Managing Director effective 25th October, 2012.

(5) – Appointed as an Additional Director on 7th December, 2012.

(6) – Appointed as an Additional Director on 28th March, 2013.

(7) – Appointed as an Additional Director on 28th March, 2013 and ceased to be a Director on 24th May, 2013.

Notes:

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

** Represent Membership/Chairmanship of Audit Committee and Shareholders/Investors Grievance Committee only.

Out of total strength of Twelve (12) Directors as on 31st March, 2013, six are independent which complies with the requirements of the Listing Agreement relating to the composition of the Board.

The brief profile of Directors seeking Re-appointment and Appointment are given in Annexure II (A) & II (B) to this report.

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

During the year ended 31st March, 2013, seven Board Meetings were held on 28/05/2012, 31/07/2012, 14/09/2012, 25/10/2012, 07/12/2012, 14/02/2013 and 28/03/2013.

Attendance at above Board Meetings and at last Annual General Meeting (AGM) held on 14th September, 2012 is as under:

| Name of the Director | No of Board Meetings attended | Attendance at the last AGM |
|------------------------|-------------------------------|----------------------------|
| Mr. Mofatraj P. Munot | 3 | YES |
| Mr. Mohan H. Bhandari | — | NA |
| Mr. R.Balasubramanian | 7 | YES |
| Mr. Robin Banerjee | 1 | NA |
| Mrs. Naina P. Hegde | 4 | NA |
| Mr. Suresh A. Gandhi | 1 | NO |
| Mr. Rakesh Khanna | 7 | YES |
| Mr. Rahul G. Divan | 7 | YES |
| Mr. Dhaval K. Vussonji | 7 | YES |
| Mr. Krishnava S. Dutt | 3 | NA |
| Mr. Bhoumick S. Vaidya | — | NA |
| Mr. Amol P. Bavare | — | NA |

NA – Not a member of the Board as on AGM date

Share holding of Non-Executive Directors as on 31/03/2013 is as under:

| Name of the Director | No of Shares |
|------------------------|--------------|
| Mr. Mofatraj P. Munot | 543371 |
| Mr. Mohan H. Bhandari | — |
| Mr. Suresh A. Gandhi | 118447 |
| Mr. Rakesh Khanna | — |
| Mr. Rahul G. Divan | — |
| Mr. Dhaval K. Vussonji | — |
| Mr. Krishnava S. Dutt | — |
| Mr. Bhoumick S. Vaidya | — |
| Mr. Amol P. Bavare | — |

3. Committees of the Board

A. Audit Committee:

During the year ended 31st March, 2013 four Audit Committee Meetings were held on 28/05/2012, 31/07/2012, 25/10/2012 and 14/02/2013. The details of the Committee are as under:

| Name of the Director | Designation | Category | No. of meetings Attended |
|------------------------|-------------|---------------------------|--------------------------|
| Mr. Rakesh Khanna | Chairman | Independent Non-Executive | 4 |
| Mr. Rahul G. Divan | Member | Independent Non-Executive | 4 |
| Mr. Dhaval K. Vussonji | Member | Independent Non-Executive | 4 |

The terms of reference, role and scope are in line with those prescribed by Clause 49 of the Listing Agreement with Stock Exchange 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, 2013 two meetings were held on 25/10/2012 and 28/03/2013. The details of the Committee are as under:

| Name of the Director | Designation | Category | No. of meetings Attended |
|------------------------|-------------|---------------------------|--------------------------|
| Mr. Dhaval K. Vussonji | Chairman | Independent Non-Executive | 2 |
| Mr. Rahul G. Divan | Member | Independent Non-Executive | 2 |
| Mr. Rakesh Khanna | Member | Independent Non-Executive | 2 |

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 and Mrs. Naina P. Hegde, Dy. Managing Director is as under:

| Sl. No. | Particulars | R. Balasubramanian Managing Director (01/04/12 to 31/03/13) Rs. in lakhs | Naina P. Hegde Dy. Managing Director (25/10/12 to 31/03/13) Rs. in lakhs |
|---------|--|---|---|
| 1 | Gross Salary including perquisites | 39.76 | 17.51 |
| 2 | Company's contribution to Provident & Other Fund | 9.20 | 1.25 |
| | TOTAL | 48.96 | 18.76 |

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

The details of Directors sitting fees paid to Non-Executive Directors during the period 01/04/2012 to 31/03/2013 are given below:

| Name of the Director | Amount (Rs) |
|------------------------|------------------|
| Mr. Mofatraj P. Munot | 60000 |
| Mr. Mohan H. Bhandari | — |
| Mr. Robin Banerjee | 20000 |
| Mr. Suresh A. Gandhi | 20000 |
| Mr. Rakesh Khanna | 280000 |
| Mr. Rahul G. Divan | 280000 |
| Mr. Dhaval K. Vussonji | 280000 |
| Mr. Krishnav S. Dutt | 60000 |
| Mr. Bhoumick S. Vaidya | — |
| Mr. Amol P. Bavare | — |
| TOTAL | 10,00,000 |

C. Shareholders/Investors Grievance Committee:

During the year ended 31st March, 2013 one meeting was held on 14/02/2013. The details of the Committee are as under:

| Name of the Director | Designation | Category | No. of meetings Attended |
|------------------------|-------------|---------------------------|--------------------------|
| Mr. Dhaval K. Vussonji | Chairman | Independent Non-Executive | 1 |
| Mr. Rakesh Khanna | Member | Independent Non-Executive | 1 |
| Mr. Rahul G. Divan | 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 01/04/2012 to 31/03/2013 are 12. The number of complaints received from SEBI is nil. No transfers were pending as on 31st March, 2013.

General Body Meetings

| Financial year ended | Venue | Day & Date | Time |
|----------------------|--|---|--------|
| 31-03-2012 | Ravindra Natya Mandir, Mumbai - 400025 | Friday, 14th September 2012 | 4 p.m. |
| 31-03-2011 | Ravindra Natya Mandir, Mumbai - 400025 | Tuesday, 27th September 2011 | 4 p.m. |
| 31-03-2010 | Ravindra Natya Mandir, Mumbai - 400025 | Monday, 27th September 2010 | 4 p.m. |
| 31-03-2012 | | No Special Resolution was passed | |
| 31-03-2011 | | No Special Resolution was passed | |
| 31-03-2010 | | Special Resolution for payment of remuneration to Managing Director for 2 years effective 29th April, 2011 to 28th April, 2013. | |

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. 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, Mr. Suresh A. Gandhi and Klassik Garments Private Limited in which Mr. Shivkumar 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. Mofatraj P. Munot, Mr. Suresh A. Gandhi and Mr. Shivkumar Dalmia who are the Directors/Promoters of the Company.

- Details of non-compliance by the Company, penalties, 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: **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 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 (Marathi) |
| Whether MD&A is a part of Annual Report or not | : | Yes, forms part of the Director's Report. |

6. General Shareholder Information

Annual General Meeting

- **Date and Time** : Friday, 6th September, 2013 at 4 p.m.
 – **Venue** : Ravindra Natya Mandir, Mini Theatre, 3rd Floor (Near) Siddhivinayak Temple, Sayani Marg, Prabhadevi, Mumbai – 400025.

- Financial calendar** : (a) 1st April, 2013 to 31st March, 2014.
 (b) First quarter results by mid of August 2013.
 (c) Second quarter results by mid of November 2013.
 (d) Third quarter results by mid of February 2014.
 (e) Results for the year ending 31st March, 2014 by end May, 2014.

- Date of Book Closure** : Monday 26th August, 2013 to Friday 6th September, 2013 (both days inclusive).

- Dividend payment Date** : After 6th September, 2013.

- Listing on Stock Exchange** : Bombay Stock Exchange Ltd.

The Company has paid the applicable listing fee.

Stock Code :

BSE (Physical form) : 9486

BSE (Demat form) : 509486

ISIN number for NSDL/CDSL : INE479A01018

Market Price Data: High/Low during each month in the last 12 months (ie from 01/04/2012 to 31/03/2013) and performance in comparison to BSE Small Cap Indices.

Paid up value - Rs. 10/- per Share

| Month | Share Price of Caprihans India Ltd. | | BSE Sensex (Small Cap) | |
|-------------|-------------------------------------|-----------|------------------------|------|
| | High (Rs.) | Low (Rs.) | High | Low |
| 2012 | | | | |
| Apr | 55.00 | 48.00 | 6982 | 6641 |
| May | 54.00 | 42.55 | 6844 | 6202 |
| June | 52.40 | 44.55 | 6547 | 6132 |
| July | 55.00 | 46.05 | 6870 | 6355 |
| Aug | 54.00 | 43.00 | 6687 | 6336 |
| Sep | 53.25 | 44.15 | 7045 | 6388 |
| Oct | 52.90 | 47.55 | 7252 | 6949 |
| Nov | 50.50 | 47.00 | 7287 | 6975 |
| Dec | 59.00 | 48.50 | 7525 | 7283 |
| 2013 | | | | |
| Jan | 60.50 | 48.80 | 7696 | 7049 |
| Feb | 51.00 | 41.20 | 7114 | 6192 |
| Mar | 49.00 | 33.55 | 6378 | 5708 |

Name and Address of the Registrar & Transfer Agents :

Link Intime India Pvt Ltd.,

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, 2013

| Range | No. of Shareholders | % of Total | No. of Shares held | % of Total |
|--------------|---------------------|---------------|--------------------|---------------|
| 1 – 500 | 7842 | 93.12 | 800376 | 6.09 |
| 501 – 1000 | 274 | 3.25 | 216938 | 1.65 |
| 1001 – 2000 | 128 | 1.52 | 200566 | 1.53 |
| 2001 – 3000 | 48 | 0.57 | 121358 | 0.92 |
| 3001 – 4000 | 31 | 0.37 | 109861 | 0.84 |
| 4001 – 5000 | 25 | 0.30 | 117222 | 0.89 |
| 5001 – 10000 | 31 | 0.37 | 216088 | 1.65 |
| Over 10000 | 42 | 0.50 | 11351562 | 86.43 |
| TOTAL | 8421 | 100.00 | 13133971 | 100.00 |

Shareholding pattern as on 31st March, 2013

| Sl No. | Type of shareholders | No. of shares held | % of Total |
|--------|--------------------------------|--------------------|---------------|
| 1. | Promoters | | |
| | Foreign | 6698325 | 51.00 |
| | Indian | 2815372 | 21.44 |
| 2. | Financial Institutions & Banks | 483370 | 3.68 |
| 3. | FII's & OCB's | 450 | 0.00 |
| 4. | Mutual fund/s | 5016 | 0.04 |
| 5. | Non resident Indians | 23927 | 0.19 |
| 6. | Domestic Companies | 454607 | 3.46 |
| 7. | Individuals | 2652904 | 20.19 |
| | 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, 2013 a total of 12807932 shares of the Company, which forms 97.52% 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, 3047 8665

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.

Certificate of Compliance with The Code of Conduct

As provided under Clause 49 of the Listing Agreement 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, 2013.

For CAPRIHANS INDIA LIMITED

Place : Mumbai
Dated : 24th May, 2013

ROBIN BANERJEE
Managing Director

Auditors' Certificate

To The Members' of Caprihans India Ltd.

We have examined the compliance of conditions of Corporate Governance by Caprihans India Limited for the year ended on 31st March 2013 as stipulated by Clause 49 of the Listing Agreement of the said Company with stock exchange.

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 implementations 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 was less than fifty percent of the composition of the Board of Directors for a brief period of the year which was complied with at the subsequent board meetings.

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/ Investors 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
ICAI Firm REG No. 101851W

Mumbai
May 24, 2013

Murtuza Vajih
Partner
ICAI M. No. 112555

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

| Name of the Director | Mr. Mofatraj P. Munot | Mr. Rakesh Khanna | Mr. Rahul G. Divan | Mr. Dhaval K. Vussonji |
|--|---|---|--|---|
| Date of Birth | 4th October, 1944 | 14th January, 1952 | 25th December, 1968 | 4th November, 1978 |
| Date of first appointment | 28th May, 1986 | 11th November, 2010 | 11th November, 2010 | 11th November, 2010 |
| Qualifications | Higher Secondary | B.Com (Hons), FCA | Fellow ICAEW, Fellow ICAI, Foundation (Oxford Polytechnic) | B.Com, ACA, LLB, Solicitor |
| Expertise in specific functional areas and experience | Mr. Mofatraj P. Munot, Chairman of the Company, became a Director in 1986 and was Managing Director from 1992 to 1997. An eminent industrialist with 45 years of business experience, he is the guiding force behind the Kalpataru Group of companies engaged in real estate and construction activities, Power Transmission Towers, infrastructure (oil & gas sector / railways / building & factories / road & bridges) and agri-logistics & warehouse. | Mr. Rakesh Khanna is a Chartered Accountant having experience of over 37 years. He has served the Industry and Profession in various capacities across various organisations of repute. | Mr. Rahul G. Divan is a Chartered Accountant. He is a partner in Rahul Gautam Divan & Associates and Chandabhoy & Jassoobhoy, Ahmedabad. Mr. Divan had worked in Europe with Pricewaterhouse Coopers in Latvia and Lithuania for 4 years. Primarily worked for commercial clients both in manufacturing and service sectors. Mr. Divan has expertise and specialisation in Auditing & Accounting, Taxation, Business and Management advisory services. | Mr. Dhaval K. Vussonji is a practising Advocate and Solicitor. He is a partner of M/s. Kanga & Co, Advocate & Solicitors. Mr. Vussonji regularly advises Public issuances, Merger & Amalgamations, Takeovers, Open offers, Real Estate projects, shipping contracts and International Arbitrations. |
| Directorships held in other Companies (Excluding Private Companies) | Kalpataru Ltd Kalpataru Power Transmission Ltd | Gee-Cee Ventures Ltd GCIL Finance Ltd Mangal Keshav Capital Ltd Mangal Keshav Financial Services Ltd Mangal Keshav Insurance Brokers Ltd Mangal Keshav Securities Ltd M K Commodity Brokers Ltd Amforge Industries Ltd | Integra Engineering India Ltd | NIL |
| Committee positions held in other companies | Audit Committee | Audit Committee | Audit Committee | Audit Committee |
| | Kalpataru Power Transmission Ltd - Member | Gee - Cee Ventures Ltd - Chairman Mangal Keshav Securities Ltd - Chairman Mangal Keshav Capital Ltd - Chairman Mangal Keshav Financial Services Ltd - Member Mangal Keshav Insurance Brokers Ltd - Member | Integra Engineering India Ltd - Member | NIL |
| | Shareholders/Investor Grievance Committee | Shareholders/Investor Grievance Committee | Shareholders/Investor Grievance Committee | Shareholders/Investor Grievance Committee |
| | NIL | Gee - Cee Ventures Ltd - Member Amforge Industries Ltd - Member | NIL | NIL |

Annexure – II (B)

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

| Name of the Director | Mrs. Naina P. Hegde | Mr. Krishnava S. Dutt | Mr. Mohan H. Bhandari | Mr. Robin Banerjee | Mr. Bhoumick S Vaidya |
|--|---|---|--|---|--|
| Date of Birth | 18th December, 1962 | 16th October, 1974 | 14th November, 1959 | 20th August, 1955 | 24th March, 1984 |
| Date of first appointment | 25th October, 2012 | 7th December, 2012 | 14th February, 2013 | 28th March, 2013 | 28th March, 2013 |
| Qualifications | B.Com., ACA | BSL, LLB | B.Sc (Physics), PG Diploma in Management Studies & Packaging Science | M.Com, ACA, AICWA, ACS | LLB |
| Expertise in specific functional areas and experience | Mrs. Naina P. Hegde is a Chartered Accountant. She became Deputy Managing Director effective 25th October, 2012 having an experience of over 20 years. She has an exposure to real estate industry, agro chemicals and pharmaceuticals, appliances industry and media & entertainment industry. | Mr. Krishnava S. Dutt is an Advocate by profession. He is the managing partner of M/s. Udhwadia Udeshi & Argus Partners. He has over 14 years of experience as a legal advisor in M & A, banking and finance transactions and international banking sector. | Mr. Mohan H. Bhandari is Vice Chairman of the Company and became a Director on 14th February, 2013. Mr. Bhandari is the founder of Bilcare group and spearheads the Company as Chairman and Managing Director. An eminent industrialist with 31 years experience in the global pharmaceuticals packaging industry and is the guiding force behind the Bilcare Group companies. | Mr. Robin Banerjee is a qualified Chartered Accountant, Cost Accountant and Company Secretary. He became Director of the Company on 28th March 2013 and Managing Director effective 29th April, 2013. He has over 32 years of professional experience in the corporate management including strategic planning, mergers & acquisitions, Corporate finance and strategic business development. | Mr. Bhoumick S. Vaidya is a Law Graduate and an Advocate & Solicitor by profession. He is a partner of M/s. Kanga & Co, Advocate & Solicitors. Mr. Bhoumick has been practising as an Advocate since 2007. He has vast experience on Corporate and Commercial laws, Foreign Investment, Banking and Finance and Real Estate. |
| Directorships held in other Companies (Excluding Private Companies) | NIL | Tata Metaliks Ltd Himadri Chemicals & Industries Ltd Macmet India Ltd | Bilcare Ltd Safepack Industries Ltd BA Technologies Ltd | Maxwell Ind Ltd | Nil |
| Committee positions held in other companies | Audit Committee | Audit Committee | Audit Committee | Audit Committee | Audit Committee |
| | NIL | Tata Metaliks Ltd - Chairman | NIL | NIL | NIL |
| | Shareholders/Investor Grievance Committee | Shareholders/Investor Grievance Committee | Shareholders/Investor Grievance Committee | Shareholders/Investor Grievance Committee | Shareholders/Investor Grievance Committee |
| | NIL | NIL | Bilcare Ltd - Member | NIL | NIL |

Annexure III to the Directors' Report – Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is one of the largest manufacturers of Flexible and Rigid Packaging Films in India and a prominent name in pharma/non pharma packaging industry in India and abroad and produce high quality products. The Company currently operates from its two plants located at Thane and Nasik, Maharashtra, falling under Octroi zone.

The Company is engaged in the processing of plastic polymers and manufactures Rigid and Flexible PVC films by Calendering process, PVDC coated Rigid PVC film 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 estimated to be 5% to 10% 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.

OPPORTUNITIES, THREATS AND OUTLOOK

The Company foresees ample opportunity of growth in coming years whether in India or developing nations like Brazil, Latin America, Africa and Middle east. With the growing trend of mass consumerism and better living standards in these Countries, demand for Company's products is expected to grow to new height.

Though the Company is a major player over decades, it faces competition in domestic market, as similar products are being made available by many local players belonging to the unorganised sector. However, Company always remained as a preferred supplier in respective segments, being a consistent and quality supplier. The overall capacity in the industry is significantly more than the overall demand leading to price-cuts and volume discounts. Company also faces severe competition in international market which is dominated by countries like China.

SEGMENT PERFORMANCE

Company's business is covered under single business segment and continued to grow in 2012-13.

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. Further, for certain grades of resin, there is only one manufacturer in India. Hence any supply disruption from this approved source may affect the Company's operations.

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

Company's Gross Sales for the year stood at Rs. 24205 lakhs compared to Rs.21108 lakhs during the previous year. Prices of major raw materials increased during the year. There were significant increases in the cost of power and fuel. Though the sales realisation improved, it could not fully compensate for the input cost increase. The Company earned a profit (before tax) of Rs. 1039 lakhs as compared to Rs. 1068 lakhs in the previous year. Company's Financial position for ten (10) years is appended separately in the Annual Report.

HUMAN RESOURCES

The Company appreciates continued efforts of its dedicated team of employees. Industrial relations remained cordial during the year. The number of employees on the roll as on 31st March, 2013 was 362 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. Regular safety audits are conducted to ensure highest safety standards.

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.

Independent Auditor's Report

TO THE MEMBERS OF
CAPRIHANS INDIA LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Caprihans India Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act, 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 March 31, 2013;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. Without qualifying our audit opinion, we invite attention to -
 - (a) Note no. 24 (2) of the financial statements regarding excise duty matters aggregating to ₹ 1628 lakhs disclosed as Contingent Liabilities.
 - (b) Note no. 24 (4) of the financial statements regarding delay in realisation of the assets of non-core activities to the extent of ₹ 245 lakhs.

Report on Other Legal and Regulatory Requirements

8. As required by section 227(3) of the Companies Act 1956, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement complies with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
9. As required by the Companies(Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

for M. P. Chitale & Co.
Chartered Accountants
ICAI Firm REG No. 101851W

Mumbai
May 24, 2013

Murtuza Vajih
Partner
ICAI M. No. 112555

Annexure To The Auditors' Report

(Referred to in paragraph 9 of our report of even date on the accounts of Caprihans India Ltd for the 12 months period ended 31st March, 2013)

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 of verifying fixed assets once in three years. As the Company conducted physical verification of fixed assets in the previous financial year, no physical verification was conducted during the year. In our opinion, such programme of verification is reasonable.
(c) Based on our examination of the records of the company, we find that no substantial part of the fixed assets affecting the going concern have 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.
(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. (a) The Company has given an unsecured loan of Rs. 500 lakhs to its ultimate holding company, i.e. Bilcare Limited, a party covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) Based on the information and explanations given to us, in our opinion, the rates of interest on which such unsecured loans have been given are prima facie not prejudicial to the interests of the company.
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 respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
(a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
(b) According to the information and explanations given to us there are transactions where the company has purchased/sold goods & rendered/availed services in excess of Rs.5 lakhs with a company listed in the register maintained under section 301. In respect of such services, we are informed that these have been made at mutually agreed prices for which suitable alternatives do not exist to compare with the prevailing market prices. In respect of goods purchased/sold, the transactions has been made at prices which are prima facie reasonable having regard to prevailing market prices to the extent available with the Company of similar items supplied under similar circumstances by/to other parties.
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 nature of its business.
8. We have broadly reviewed the cost records maintained by the Company relating to manufacturing activities. We have not made an examination of the cost records required to be maintained under Companies (Cost Accounting Records) Rules, 2011 in respect of their accuracy and completeness.
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, 2013 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 lacs) | Particulars | Authority |
|--------------------|----------------------|-------------|------------------------|
| 1989-90 to 1993-94 | 594.24 | Excise Duty | CESTAT |
| 1996-97 to 1997-98 | 185.14 | Excise Duty | CESTAT |
| 1999-2000 | 24.10 | Excise Duty | CESTAT |
| 1989-90 to 1994-95 | 0.50 | 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 |
| 2006-07 to 2008-09 | 8.14 | Service tax | Commissioner (appeals) |
| 2000-01 to 2006-07 | 400.00 | Income tax | ITAT |
| Total | 1730.72 | | |

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
ICAI Firm REG No. 101851W

Mumbai
May 24, 2013

Murtuza Vajih
Partner
ICAI M. No. 112555

BALANCE SHEET AS AT 31ST MARCH, 2013

| | Note No. | Rs in lakhs | As at 31st March, 2013 Rs in lakhs | As at 31st March, 2012 Rs in lakhs |
|------------------------------------|----------|----------------|--|--|
| (I) EQUITY AND LIABILITIES | | | | |
| (1) Shareholder's Funds | | | | |
| (a) Share Capital | 1 | 1313.40 | | 1313.40 |
| (b) Reserves and Surplus | 2 | 9263.42 | | 8890.84 |
| | | | 10576.82 | 10204.24 |
| (2) Non-Current Liabilities | | | | |
| (a) Deferred tax liabilities (Net) | 3 | 22.00 | | 62.00 |
| (b) Other long term liabilities | 4 | 53.04 | | 51.04 |
| (c) Long term provisions | 5 | 149.61 | | 138.71 |
| | | | 224.65 | 251.75 |
| (3) Current Liabilities | | | | |
| (a) Trade payables | 6 | 1720.96 | | 1193.42 |
| (b) Other current liabilities | 7 | 1058.88 | | 1117.32 |
| (c) Short term provisions | 8 | 450.04 | | 302.83 |
| | | | 3229.88 | 2613.57 |
| TOTAL | | | 14031.35 | 13069.56 |
| (II) ASSETS | | | | |
| (1) Non-current assets | | | | |
| (a) Fixed assets | 9 | | | |
| (i) Tangible assets | | 1927.69 | | 2054.07 |
| (ii) Intangible assets | | 40.77 | | 43.65 |
| (iii) Capital work-in-progress | | 0.00 | | 0.46 |
| | | 1968.46 | | 2098.18 |
| (b) Long term loans and advances | 10 | 165.08 | | 403.73 |
| (c) Other non-current assets | 11 | 269.96 | | 276.34 |
| | | | 2403.50 | 2778.25 |
| (2) Current assets | | | | |
| (a) Inventories | 12 | 2788.41 | | 2961.88 |
| (b) Trade receivables | 13 | 6303.34 | | 5263.05 |
| (c) Cash and bank balances | 14 | 1747.69 | | 1226.73 |
| (d) Short-term loans and advances | 15 | 506.88 | | 509.70 |
| (e) Other current assets | 16 | 281.53 | | 329.95 |
| | | | 11627.85 | 10291.31 |
| TOTAL | | | 14031.35 | 13069.56 |

Significant accounting policies and notes on financial statements

1 TO 24

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

MURTUZA VAJIHI
Partner

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

MOFATRAJ P. MUNOT
ROBIN BANERJEE
NAINA P. HEGDE

RAKESH KHANNA
RAHUL G. DIVAN
DHAVAL K. VUSSONJI
BHOUMICK S. VAIDYA

Chairman
Managing Director
Dy. Managing Director

Directors

Mumbai :
Dated: 24th May, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2013**

| | Note No. | For the year ended 31st March, 2013 Rs in lakhs | For the year ended 31st March, 2012 Rs in lakhs |
|---|----------|--|--|
| INCOME : | | | |
| Revenue from operations | 17 | 22059.09 | 19490.12 |
| Other Income | 18 | 307.86 | 300.61 |
| Total Revenue | | <u>22366.95</u> | <u>19790.73</u> |
| EXPENDITURE : | | | |
| Cost of materials consumed | | 15252.57 | 13411.17 |
| Changes in inventories of Finished Goods, Work-in-Progress & Scrap | 19 | (6.23) | (58.52) |
| Employee benefits expense | 20 | 1513.64 | 1360.23 |
| Finance costs | | 0.30 | 0.34 |
| Depreciation and amortisation expense | 21 | 344.12 | 337.39 |
| Other expenses | 22 | 4223.48 | 3672.29 |
| Total Expenses | | <u>21327.88</u> | <u>18722.90</u> |
| Profit before tax | | 1039.07 | 1067.83 |
| Tax expense | | | |
| – Current tax | | 400.00 | 395.00 |
| – Deferred tax | | (40.00) | (41.00) |
| Profit after tax | | <u>679.07</u> | <u>713.83</u> |
| Earning per share (Basic/Diluted) in Rs. | | 5.17 | 5.43 |

Significant accounting policies and notes on
financial statements

1 TO 24

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

MURTUZA VAJIHI
Partner

Mumbai :
Dated: 24th May, 2013

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

MOFATRAJ P. MUNOT
ROBIN BANERJEE
NAINA P. HEGDE

RAKESH KHANNA
RAHUL G. DIVAN
DHAVAL K. VUSSONJI
BHOUMICK S. VAIDYA

Chairman
Managing Director
Dy. Managing Director

Directors

Notes on Financial statements for the year ended 31st March, 2013

| | As at 31st March, 2013 Rs in lakhs | As at 31st March, 2012 Rs in lakhs | | | | | | | | | | | | | | | |
|---|--|--|---|--------|---|-------|-----------------------|---------|-------|---------|-------|------------------------|---------|------|---------|------|--|
| 1. SHARE CAPITAL | | | | | | | | | | | | | | | | | |
| Authorised : | | | | | | | | | | | | | | | | | |
| 2,00,00,000 Equity Shares of Rs. 10 each | <u>2000.00</u> | <u>2000.00</u> | | | | | | | | | | | | | | | |
| Issued and Subscribed : | | | | | | | | | | | | | | | | | |
| 1,31,33,971 Equity Shares of Rs.10 each fully paid-up | 1313.40 | 1313.40 | | | | | | | | | | | | | | | |
| Notes: | | | | | | | | | | | | | | | | | |
| (1) 66,98,325 Equity Shares are held by Bilcare Research GmbH, the holding company | | | | | | | | | | | | | | | | | |
| (2) Details of Shareholders holding more than 5% shares | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">No. of shares As at 31/03/2013</th> <th style="text-align: center;">% held</th> <th style="text-align: center;">No. of shares As at 31/03/2012</th> <th style="text-align: center;">%held</th> </tr> </thead> <tbody> <tr> <td>Bilcare Research GmbH</td> <td style="text-align: right;">6698325</td> <td style="text-align: right;">51.00</td> <td style="text-align: right;">6698325</td> <td style="text-align: right;">51.00</td> </tr> <tr> <td>K. C. Holdings Pvt Ltd</td> <td style="text-align: right;">1242609</td> <td style="text-align: right;">9.46</td> <td style="text-align: right;">1072494</td> <td style="text-align: right;">8.17</td> </tr> </tbody> </table> | | No. of shares As at 31/03/2013 | % held | No. of shares As at 31/03/2012 | %held | Bilcare Research GmbH | 6698325 | 51.00 | 6698325 | 51.00 | K. C. Holdings Pvt Ltd | 1242609 | 9.46 | 1072494 | 8.17 | |
| | No. of shares As at 31/03/2013 | % held | No. of shares As at 31/03/2012 | %held | | | | | | | | | | | | | |
| Bilcare Research GmbH | 6698325 | 51.00 | 6698325 | 51.00 | | | | | | | | | | | | | |
| K. C. Holdings Pvt Ltd | 1242609 | 9.46 | 1072494 | 8.17 | | | | | | | | | | | | | |
| (3) Reconciliation of number of shares outstanding | | | | | | | | | | | | | | | | | |
| As at the beginning of the year | 13133971 | 13133971 | | | | | | | | | | | | | | | |
| Add/(Less): Movements during the year | — | — | | | | | | | | | | | | | | | |
| As at the end of the year | 13133971 | 13133971 | | | | | | | | | | | | | | | |
| (4) The equity shares of the Company having par value of Rs 10/- per share rank pari-passu in all respects including voting rights and entitlement to dividend. | | | | | | | | | | | | | | | | | |
| | <u>1313.40</u> | <u>1313.40</u> | | | | | | | | | | | | | | | |
| 2. RESERVES AND SURPLUS | | | | | | | | | | | | | | | | | |
| CAPITAL RESERVE : | 21.20 | 21.20 | | | | | | | | | | | | | | | |
| REVALUATION RESERVE: [See Note 9 (1)] | | | | | | | | | | | | | | | | | |
| Opening balance | 76.00 | 88.00 | | | | | | | | | | | | | | | |
| Less: Transfer to Statement of Profit and Loss | <u>76.00</u> | <u>12.00</u> | | | | | | | | | | | | | | | |
| | — | 76.00 | | | | | | | | | | | | | | | |
| SECURITIES PREMIUM ACCOUNT : | 6497.27 | 6497.27 | | | | | | | | | | | | | | | |
| GENERAL RESERVE: | | | | | | | | | | | | | | | | | |
| Opening balance | 280.00 | 230.00 | | | | | | | | | | | | | | | |
| Add: Transfer from Statement of Profit and Loss | <u>50.00</u> | <u>50.00</u> | | | | | | | | | | | | | | | |
| | 330.00 | 280.00 | | | | | | | | | | | | | | | |
| SURPLUS: | | | | | | | | | | | | | | | | | |
| Opening balance | 2016.37 | 1581.51 | | | | | | | | | | | | | | | |
| Add: Profit for the year | <u>679.07</u> | <u>713.83</u> | | | | | | | | | | | | | | | |
| | 2695.44 | 2295.34 | | | | | | | | | | | | | | | |
| Less: Appropriations: | | | | | | | | | | | | | | | | | |
| Proposed dividend @ Rs 1.50 per share (Previous year Rs 1.50) | 197.01 | 197.01 | | | | | | | | | | | | | | | |
| Tax on dividend | 33.48 | 31.96 | | | | | | | | | | | | | | | |
| Transfer to General Reserve | <u>50.00</u> | <u>50.00</u> | | | | | | | | | | | | | | | |
| | 2414.95 | 2016.37 | | | | | | | | | | | | | | | |
| | <u>9263.42</u> | <u>8890.84</u> | | | | | | | | | | | | | | | |

Notes on Financial statements for the year ended 31st March, 2013

| | As at 31st March, 2013 Rs in lakhs | As at 31st March, 2012 Rs in lakhs |
|--|--|--|
| 3. DEFERRED TAX LIABILITIES (Net) | | |
| Deferred tax liability/assets (-) is as under: | | |
| (a) Difference between book and tax depreciation | 204.21 | 241.51 |
| (b) Deduction allowable on payment basis under the Income Tax Act. | (120.07) | (119.30) |
| (c) Provision for doubtful debts & advances | (62.14) | (60.21) |
| | <u>22.00</u> | <u>62.00</u> |
| 4. OTHER LONG TERM LIABILITIES | | |
| Deposits from Customers and others | 53.04 | 51.04 |
| | <u>53.04</u> | <u>51.04</u> |
| 5. LONG TERM PROVISIONS | | |
| Provision for Employee benefits | 149.61 | 138.71 |
| | <u>149.61</u> | <u>138.71</u> |
| 6. TRADE PAYABLES | | |
| Sundry Creditors | 1720.96 | 1193.42 |
| | <u>1720.96</u> | <u>1193.42</u> |
| Note: Certain suppliers/service providers have confirmed their registration under Micro, Small and Medium Enterprises Development Act, 2006 to the Company. Based on such confirmation Rs 34.56 lakhs (Previous year 47.02 lakhs) out of the above payables pertain to such enterprises. There are no interest paid/payable to such parties. | | |
| 7. OTHER CURRENT LIABILITIES | | |
| (a) Advances received for value to be given | 77.54 | 60.81 |
| (b) Unclaimed dividend | 13.35 | 11.00 |
| (c) Others - (Includes Statutory dues and other accruals) | 967.99 | 1045.51 |
| | <u>1058.88</u> | <u>1117.32</u> |
| 8. SHORT TERM PROVISIONS | | |
| (a) Provisions for Employee benefits | 77.25 | 73.86 |
| (b) Provision for taxation (Net) | 142.30 | — |
| (c) Proposed dividend | 197.01 | 197.01 |
| (d) Tax on dividend | 33.48 | 31.96 |
| | <u>450.04</u> | <u>302.83</u> |

Notes on Financial statements for the year ended 31st March, 2013

Rs. in lakhs

9. FIXED ASSETS

| | GROSS BLOCK | | DEPRECIATION/AMORTISATION | | | NET BLOCK | |
|------------------------------|------------------------|-----------------------------------|---------------------------|--------------------------|-----------------------|------------------------|------------------------|
| | As at 31st March, 2012 | Additions Deductions/ Adjustments | As at 31st March, 2012 | For the year Adjustments | Upto 31st March, 2013 | As at 31st March, 2013 | As at 31st March, 2012 |
| (A) TANGIBLE ASSETS | | | | | | | |
| Leasehold Land | 4.30 | | 1.89 | 0.04 | 1.93 | 2.37 | 2.41 |
| Buildings | 1598.20 | 235.00 | 1054.66 | 109.60 | 929.26 | 433.94 | 543.54 |
| Plant and Machinery | 4851.87 | 272.93 | 3403.12 | 284.33 | 3687.45 | 1437.35 | 1448.75 |
| Furniture, Fixtures | 43.87 | 0.94 | 39.43 | 0.85 | 39.97 | 4.53 | 4.44 |
| Office Equipments | 197.04 | 10.75 | 163.13 | 10.30 | 169.76 | 33.96 | 33.91 |
| Vehicles | 52.50 | 0.00 | 31.48 | 5.48 | 36.96 | 15.54 | 21.02 |
| Sub- total (A) | 6747.78 | 284.62 | 4693.71 | 410.60 | 4865.33 | 1927.69 | 2054.07 |
| (B) INTANGIBLE ASSETS | | | | | | | |
| Computer Software | 181.60 | 6.64 | 137.95 | 9.52 | 147.47 | 40.77 | 43.65 |
| Sub- total (B) | 181.60 | 6.64 | 137.95 | 9.52 | 147.47 | 40.77 | 43.65 |
| TOTAL (A + B) | 6929.38 | 291.26 | 4831.66 | 420.12 | 5012.80 | 1968.46 | 2097.72 |
| Previous Year | (6936.18) | (67.60) | (4548.26) | (349.39) | (4831.66) | (2097.72) | (2387.92) |
| Capital Work-in-Progress | | | | | | 0.00 | 0.46 |

Note: (1) During the period ended 31st December, 1997 the Company had revalued its Head Office premises with a corresponding credit to the Revaluation Reserve. During the current year, the Company decided to state the said premises classified as 'Buildings' at Historical Cost and accordingly the net written down value was reduced by Rs. 76 lakhs with a corresponding effect on the Revaluation Reserve. This change in Accounting Policy has no effect on the Profit for the year.

Notes on Financial statements for the year ended 31st March, 2013

| | As at 31st March, 2013 Rs in lakhs | As at 31st March, 2012 Rs in lakhs |
|--|--|--|
| 10. LONG TERM LOANS AND ADVANCES | | |
| (Unsecured considered good) | | |
| (a) Capital advances | — | 20.48 |
| (b) Security Deposits | 161.51 | 127.06 |
| (c) Advance Income tax (Net) | — | 253.40 |
| (d) Loans/Advances to employees | 3.57 | 2.79 |
| | 165.08 | 403.73 |
| 11. OTHER NON-CURRENT ASSETS | | |
| (Unsecured considered good, unless otherwise specified) | | |
| (a) Trade receivables | 191.57 | 185.56 |
| Less: Debts considered doubtful and provided for | 191.57 | 185.56 |
| | 0.00 | 0.00 |
| (b) Receivable in respect of non-core activities (Net) (See Note 24(4)) | 245.74 | 245.74 |
| (c) Advances receivable in cash/kind or for value to be received | 24.22 | 30.60 |
| | 269.96 | 276.34 |
| 12. INVENTORIES: As valued and certified by the Management | | |
| (At lower of cost or net realisable value) | | |
| (a) Raw Materials | 1267.74 | 1479.23 |
| (b) Raw materials in transit | 337.95 | 320.25 |
| (c) Finished Goods | 824.64 | 777.65 |
| (d) Work-in-progress | 157.70 | 232.99 |
| (e) Stores | 77.60 | 72.83 |
| (f) Packing materials and Fuel | 56.15 | 46.83 |
| (g) Scrap | 66.63 | 32.10 |
| | 2788.41 | 2961.88 |
| 13. TRADE RECEIVABLES — Unsecured considered good | | |
| Dues for a period exceeding six months | 165.92 | 79.74 |
| Others | 6137.42 | 5183.31 |
| | 6303.34 | 5263.05 |

Notes on Financial statements for the year ended 31st March, 2013

| | As at 31st March, 2013 Rs in lakhs | As at 31st March, 2012 Rs in lakhs |
|---|--|--|
| 14. CASH AND BANK BALANCES | | |
| (A) Cash and cash equivalents | | |
| (i) Cash in Hand | 3.95 | 2.70 |
| (ii) Balances with Scheduled Banks | | |
| (a) In Current Account | 214.17 | 162.59 |
| (b) In Deposit Account | 750.00 | 49.62 |
| (iii) Remittances in Transit | 35.29 | 18.83 |
| | <u>1003.41</u> | <u>233.74</u> |
| (B) Others | | |
| (i) In Unpaid dividend account | 13.35 | 11.00 |
| (ii) In Deposit account with Banks | | |
| (a) In Margin account | 531.99 | 531.99 |
| (b) In Deposit Account | 150.00 | 275.00 |
| (c) In Deposit Account with more than 12 months maturity | 48.94 | 175.00 |
| | <u>744.28</u> | <u>992.99</u> |
| | <u><u>1747.69</u></u> | <u><u>1226.73</u></u> |
| 15. SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured considered good) | | |
| (a) Intercompany deposit with related party viz., Bilcare Ltd - Ultimate Holding Company | 500.00 | 500.00 |
| (b) Loans/Advances to employees | 6.88 | 9.70 |
| | <u>506.88</u> | <u>509.70</u> |
| 16. OTHER CURRENT ASSETS | | |
| (Unsecured considered good) | | |
| (a) Balances with Excise | 211.03 | 251.68 |
| (b) Advances receivable in cash/kind or for value to be received | 70.50 | 78.27 |
| | <u>281.53</u> | <u>329.95</u> |

Notes on Financial statements for the year ended 31st March, 2013

| | Rs in lakhs | For the year ended 31st March, 2013 Rs in lakhs | For the year ended 31st March, 2012 Rs in lakhs |
|---|-------------|--|--|
| 17. REVENUE FROM OPERATIONS | | | |
| (a) Sale of products | 23,431.94 | | 20,685.76 |
| (b) Other operating revenues | 772.56 | | 422.11 |
| | | <u>24,204.50</u> | <u>21,107.87</u> |
| Less: Excise duties recovered | | 2,145.41 | 1,617.75 |
| | | <u>22,059.09</u> | <u>19,490.12</u> |
| | | | |
| 18. OTHER INCOME | | | |
| Interest from Banks and others | | 188.91 | 183.69 |
| Miscellaneous Income | | 61.64 | 36.03 |
| Foreign exchange gains/loss (Net) | | 41.74 | 39.00 |
| Insurance Claims | | — | 27.11 |
| Rent | | 15.57 | 14.78 |
| | | <u>307.86</u> | <u>300.61</u> |
| | | | |
| 19. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & SCRAP | | | |
| Inventories at Close: | | | |
| Finished Goods | 824.64 | | 777.65 |
| Work-in-Progress | 157.70 | | 232.99 |
| Scrap | 66.63 | | 32.10 |
| | | <u>1048.97</u> | <u>1042.74</u> |
| Inventories at Commencement: | | | |
| Finished Goods | 777.65 | | 741.67 |
| Work-in-Progress | 232.99 | | 191.22 |
| Scrap | 32.10 | | 51.33 |
| | | <u>1042.74</u> | <u>984.22</u> |
| | | <u>(6.23)</u> | <u>(58.52)</u> |

Notes on Financial statements for the year ended 31st March, 2013

| | For the year ended 31st March, 2013 Rs in lakhs | For the year ended 31st March, 2012 Rs in lakhs |
|--|--|--|
| 20. EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 1336.38 | 1197.69 |
| Contribution to Provident & Other Funds | 87.71 | 80.19 |
| Staff Welfare expenses | 89.55 | 82.35 |
| | <u>1513.64</u> | <u>1360.23</u> |
| | | |
| 21. DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation and amortisation | 420.12 | 349.39 |
| Less: Transfer from Revaluation reserve | 76.00 | 12.00 |
| | <u>344.12</u> | <u>337.39</u> |
| | | |
| 22. OTHER EXPENSES | | |
| Consumption of Stores and Spares | 161.27 | 148.86 |
| Processing/Fabrication Charges | 125.64 | 138.04 |
| Power, Fuel and Water Charges | 1975.99 | 1684.48 |
| Excise duty relating to changes in Finished goods stock | 4.36 | 2.09 |
| Rent | 25.80 | 25.91 |
| Rates and Taxes | 4.78 | 4.31 |
| Insurance | 14.48 | 15.92 |
| Repairs to Plant and Machinery | 66.60 | 58.34 |
| Repairs to Building | 47.53 | 30.99 |
| Packing Materials, Forwarding etc. | 1241.85 | 1086.50 |
| Directors' fees | 10.00 | 6.60 |
| Commission on Sales | 129.94 | 134.55 |
| Miscellaneous Expenses | 400.30 | 324.62 |
| Expenses relating to non- core activities | 103.17 | 9.06 |
| Reimbursement of expenses relating to non-core activities by Kalpataru Ltd | (103.17) | (9.06) |
| Loss on Fixed Assets sold/scrapped(Net) | 0.32 | 4.86 |
| Bad debts written off | 8.61 | 2.24 |
| Provision for Doubtful Debts | 6.01 | 3.98 |
| | <u>4223.48</u> | <u>3672.29</u> |

Notes on Financial statements for the year ended 31st March, 2013

| | For the year ended 31st March, 2013 | | For the year ended 31st March, 2012 | |
|--|--|---------------|--|---------------|
| | Value Rs in lakhs | | Value Rs in lakhs | |
| 23. OTHER DISCLOSURES | | | | |
| (A) RAW MATERIALS CONSUMED | | | | |
| Resins | 10126.98 | | 8715.15 | |
| Plasticizers | 1092.16 | | 1216.52 | |
| Polypropylene | 748.01 | | 623.22 | |
| Others | 3285.42 | | 2856.28 | |
| | <u>15252.57</u> | | <u>13411.17</u> | |
| | Value | Percentage | Value | Percentage |
| | Rs in lakhs | to total | Rs in lakhs | to total |
| | | Consumption | | Consumption |
| (B) BREAK UP OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED | | | | |
| Raw Materials – Imported | 4624.52 | 30.32 | 4293.49 | 32.01 |
| Raw Materials – Indigenous | 10628.05 | 69.68 | 9117.68 | 67.99 |
| | <u>15252.57</u> | <u>100.00</u> | <u>13411.17</u> | <u>100.00</u> |
| Spares Parts – Imported | 29.27 | 18.15 | 46.01 | 30.91 |
| Spares Parts – Indigenous | 132.00 | 81.85 | 102.85 | 69.09 |
| | <u>161.27</u> | <u>100.00</u> | <u>148.86</u> | <u>100.00</u> |
| (C) VALUE OF IMPORTS ON C.I.F.BASIS | | | | |
| Raw Materials | 4125.34 | | 3372.06 | |
| Spares | 23.58 | | 37.71 | |
| Capital Goods | 55.86 | | 6.76 | |
| (D) EXPENDITURE IN FOREIGN CURRENCY | | | | |
| Travelling Expenses | 3.62 | | 0.58 | |
| Commission | 49.85 | | 53.97 | |
| Others | 1.44 | | 0.20 | |
| (E) EARNINGS IN FOREIGN EXCHANGE | | | | |
| Export of Goods on F.O.B.Basis | 2689.06 | | 2706.65 | |
| Export of marketing services | 19.74 | | 2.64 | |
| (F) AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND | | | | |
| (a) No. of Shareholders | — | | 1 | |
| (b) No. of shares held | — | | 6698325 | |
| (c) Amount remitted | — | | 100.47 | |
| (d) Year to which dividend relates | — | | 2010-2011 | |

Notes on Financial statements for the year ended 31st March, 2013

| | Year ended/as on 31st March, 2013 Rs in lakhs | Year ended/as on 31st March, 2012 Rs in lakhs |
|---|--|--|
| 24. NOTES ON FINANCIAL STATEMENTS: | | |
| 1. Payment to Auditors: | | |
| (1) Audit Fee | 8.00 | 8.00 |
| (2) For Other Services | 1.00 | 1.00 |
| (3) Reimbursement of Expenses including service tax | 1.50 | 1.50 |
| 2. Contingent Liabilities: | | |
| (a) (i) Demands of Excise authorities which are disputed in appeals by the Company | 477.16 | 453.06 |
| (ii) Appeals filed by Excise authorities in the Supreme Court of India/CESTAT against orders passed by CESTAT/Commissioner (Appeals) in favour of the Company | 845.42 | 845.42 |
| (iii) Other excise notices pending adjudication | 305.14 | 292.85 |
| (b) Demands of Income tax authorities which are disputed in appeals and not provided for | 400.00 | 400.00 |
| (c) Claims against the Company not acknowledged as debts – estimated | 383.57 | 366.44 |
| (d) Estimated amount of contracts remaining to be executed on Capital Account and not provided for | — | 116.52 |
| 3. 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. | | |
| 4. 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 245.74 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. | | |
| 5. 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. | | |
| 6. Related Party Disclosure as per AS 18: | | |
| (i) List of Related Parties: | | |
| (a) Enterprise where control exists | | |
| Holding Company: | | |
| – Bilcare Research GmbH | | |
| – Bilcare Research GmbH Co. & KG | | |
| – Films Germany Holding GmbH | | |
| – Bilcare Research AG | | |
| – Bilcare Mauritius Ltd | | |
| – Bilcare Ltd | | |

Notes on Financial statements for the year ended 31st March, 2013

6. Related Party Disclosure as per AS 18: (Contd.)

- (b) Related parties with whom the Company had transactions including Fellow subsidiaries
- Bilcare Research GmbH
 - Bilcare Research AG
 - Bilcare Ltd
 - Kalpataru Ltd
- (c) Indian Promoters: Mr M.P. Munot, Director and Mr S.K. Dalmia, their relatives, associates and associate companies.
- (ii) Relationship:
- (a) Bilcare Research GmbH, which is part of Bilcare group holds 51% of the Share Capital of the Company. Mr. Mohan H. Bhandari, Director is the Promoter of Bilcare Ltd.
- (b) Indian Promoters hold in aggregate over 21% of the Share Capital of the Company.
- (iii) Key management Personnel
- Mr. R. Balasubramanian – Managing Director
- Mrs. Naina P. Hegde – Dy. Managing Director – Effective 25th October, 2012

| | Year ended/as on 31st March, 2013 Rs in lakhs | Year ended/as on 31st March, 2012 Rs in lakhs |
|--|--|--|
| (iv) Transactions during the year with related parties - Nature of transaction | | |
| (a) Purchases of materials and others | | |
| – Bilcare Research GmbH* | 32.33 | 39.62 |
| – Bilcare Research AG* | 9.85 | 0.68 |
| – Bilcare Ltd* | 27.09 | 4.78 |
| (b) Sale of goods | | |
| – Bilcare Ltd* | 14.38 | 61.93 |
| (c) Income from Export of Marketing services | | |
| – Bilcare Research GmbH* | 19.74 | 0.32 |
| – Bilcare Research S R L | — | 2.33 |
| (d) Commission expenses on Export sales | | |
| – Bilcare Research GmbH* | — | 11.73 |
| (e) Processing charges expenses | | |
| – Bilcare Ltd* | 3.25 | 7.21 |
| (f) Processing charges income | | |
| – Bilcare Ltd* | 592.90 | 198.93 |
| (g) Receipt of expenses incurred | | |
| – Bilcare Ltd* | — | 1.63 |
| (h) Dividend remitted | | |
| – Bilcare Research GmbH* | 100.47 | 100.47 |
| (i) Intercorporate deposit with Bilcare Ltd* | | |
| Principal amount placed | 500.00 | 500.00 |
| Interest income | 70.00 | 22.25 |
| Amount outstanding as at year end | 500.00 | 500.00 |
| Interest accrued but not due as at year end | 4.79 | 4.79 |

Notes on Financial statements for the year ended 31st March, 2013

| | Year ended/as on 31st March, 2013 Rs in lakhs | Year ended/as on 31st March, 2012 Rs in lakhs |
|--|---|---|
| (j) Managerial remuneration of : | | |
| (i) Mr. R. Balasubramanian – Managing Director | | |
| (a) Salary and Allowances | 38.40 | 38.40 |
| Reimbursement of medical and leave travel expenses | 1.32 | 1.32 |
| Perquisites | 0.04 | 0.04 |
| Total | 39.76 | 39.76 |
| (b) Contribution to Provident and Other Funds | 9.20 | 9.20 |
| (ii) Mrs. Naina P. Hegde – Dy. Managing Director – Effective 25th October, 2012 | | |
| (a) Salary and Allowances | 17.51 | — |
| (b) Contribution to Provident and Other Funds | 1.25 | — |
| The above figures exclude provision for gratuity and leave encashment which are actuarially determined on an overall company basis. | | |
| Remuneration paid to the Dy. Managing Director is subject to the approval of Shareholders of the Company. | | |
| (k) Indian Promoters – Kalpataru Ltd | | |
| – Interest Income | 14.70 | 14.74 |
| – Recovery of expenses relating to non- core activities | 103.17 | 9.06 |
| (l) Sundry Creditors as at year end | | |
| – Bilcare Research GmbH* | 19.98 | 11.77 |
| – Bilcare Ltd* | — | 1.54 |
| (m) Sundry Debtors as at year end | | |
| – Bilcare Ltd* | 357.21 | 192.45 |
| * Enterprise where control exists. | | |
| 7. 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. The Company does not have any non-cancellable operating leases. | | |
| Rental expenses for operating leases | 25.80 | 25.91 |
| 8. Earning per Share as per AS 20: | | |
| (i) Net Profit available for equity shareholders | 679.07 | 713.83 |
| (ii) No. of equity shares | 13133971 | 13133971 |
| (iii) Basic & Diluted Earning per share (Face value of Rs 10 each) In Rs | 5.17 | 5.43 |

Notes on Financial statements for the year ended 31st March, 2013

| | Year ended/ as on 31st March, 2013 Rs in lakhs | Year ended/ as on 31st March, 2012 Rs in lakhs | Year ended/ as on 31st March, 2013 Rs in lakhs | Year ended/ as on 31st March, 2012 Rs in lakhs |
|---|---|---|---|---|
| 9. Employee benefits as per AS 15: | | | | |
| (A) Contribution to Defined Contribution Plan recognised in the Profit and Loss Account are as under: | | | | |
| (i) Employer's contribution to Provident/Pension Fund | | | 63.62 | 57.86 |
| (ii) Employer's contribution to Superannuation Fund | | | 10.25 | 9.60 |
| (B) The Company operates Defined Benefit Plan for | | | | |
| (i) Employees gratuity scheme which is funded and | | | | |
| (ii) Employees leave encashment scheme which is not funded | | | | |
| The disclosures in relation thereto are as under: | | | | |
| (a) Reconciliation of opening and closing balances of obligation | | | | |
| | Gratuity | Gratuity | Leave encashment | Leave encashment |
| Present value of obligation as at the beginning of the year | 412.93 | 384.29 | 189.00 | 176.82 |
| Interest cost | 31.77 | 29.89 | 14.19 | 13.12 |
| Current service cost | 25.78 | 24.08 | 14.52 | 14.80 |
| Benefits paid | (31.60) | (21.19) | (23.29) | (25.54) |
| Actuarial (gain)/loss on obligation | 4.91 | (4.14) | 11.87 | 9.80 |
| Present value of obligation as at the end of the year | 443.79 | 412.93 | 206.29 | 189.00 |
| (b) Reconciliation of opening and closing balances of fair value of plan assets | | | | |
| Fair value of plan assets as at the beginning of the year | 389.36 | 369.57 | — | — |
| Expected return on plan assets | 32.50 | 30.36 | — | — |
| Contribution | 23.57 | 14.72 | — | — |
| Benefits paid | (31.60) | (21.19) | — | — |
| Actuarial gain/(loss) on plan assets | 9.39 | (4.10) | — | — |
| Fair value of plan assets as at the end of the year | 423.22 | 389.36 | — | — |

Notes on Financial statements for the year ended 31st March, 2013

| | Year ended/ as on 31st March, 2013 Rs in lakhs | Year ended/ as on 31st March, 2012 Rs in lakhs | Year ended/ as on 31st March, 2013 Rs in lakhs | Year ended/ as on 31st March, 2012 Rs in lakhs |
|---|---|---|---|---|
| (c) Reconciliation of fair value of assets and obligation | | | | |
| Present value of obligation as at the end of the year | 443.79 | 412.93 | 206.29 | 189.00 |
| Fair value of Plan assets as at the end of the year | (423.22) | (389.36) | — | — |
| Amount recognised in the Balance sheet | 20.57 | 23.57 | 206.29 | 189.00 |
| (d) Expense recognised during the year | | | | |
| Current service cost | 25.78 | 24.08 | 14.52 | 14.80 |
| Interest cost | 31.77 | 29.89 | 14.19 | 13.12 |
| Expected return on plan assets | (32.50) | (30.36) | — | — |
| Actuarial (gain)/loss | (4.48) | (0.04) | 11.87 | 9.80 |
| Service cost net of contribution | — | — | — | — |
| Expenses recognised during the year | 20.57 | 23.57 | 40.58 | 37.72 |
| (e) Actuarial assumptions (per annum) | | | | |
| Discount rate | 8% | 8% | 8% | 8% |
| Expected return on plan assets | 8% | 8% | — | — |
| Salary escalation | 8% | 8% | 8% | 8% |

10. 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. All cost including financing costs, till commencement of commercial production are capitalised. In respect of assets acquired under lease, lease rentals are charged to the Profit and Loss Account. Assets under disposal are stated at lower of cost or net realisable value. Intangible assets are amortised over a period of five years

(c) Depreciation/Amortisation:

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.

Notes on Financial statements for the year ended 31st March, 2013

10. SIGNIFICANT ACCOUNTING POLICIES: (contd.)

(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:

Transactions in foreign currency are recognised at the rate ruling on the date of transaction. 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 in respect of the taxable income and wealth tax 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 made 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.

11. Previous year figures have been re-grouped and re-classified, wherever necessary.

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

MURTUZA VAJIHI
Partner

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

MOFATRAJ P. MUNOT
ROBIN BANERJEE
NAINA P. HEGDE

RAKESH KHANNA
RAHUL G. DIVAN
DHAVAL K. VUSSONJI
BHOUMICK S. VAIDYA

Chairman
Managing Director
Dy. Managing Director

Directors

Mumbai :
Dated: 24th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| | For the year ended 31st March, 2013 Rs in lakhs | For the year ended 31st March, 2012 Rs in lakh |
|---|--|---|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before tax | 1039.07 | 1067.83 |
| Adjustments for: | | |
| Depreciation/Amortisation (Net) | 344.12 | 337.39 |
| Loss/(Profit) on Fixed Assets sold/scrapped (Net) | 0.32 | 4.86 |
| Interest | 0.30 | 0.34 |
| Operating Profit before working capital changes | 1383.81 | 1410.42 |
| Changes in: | | |
| Trade & other receivables | (744.01) | (551.93) |
| Inventories | 173.47 | 109.27 |
| Trade Payables | 627.69 | (231.08) |
| CASH GENERATED FROM OPERATIONS | 1440.96 | 736.68 |
| Interest | (0.30) | (0.34) |
| Direct taxes | (400.00) | (395.00) |
| NET CASH FROM OPERATING ACTIVITIES (A) | 1040.66 | 341.34 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed assets | (290.81) | (68.05) |
| Sale of Fixed assets | 0.08 | 3.55 |
| NET CASH USED IN INVESTING ACTIVITIES (B) | (290.73) | (64.50) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Share capital | 0.00 | 0.00 |
| Dividend paid | (228.97) | (228.97) |
| NET CASH USED IN FINANCING ACTIVITIES (C) | (228.97) | (228.97) |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C) | 520.96 | 47.87 |
| CASH & CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR | 1226.73 | 1178.86 |
| CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR | 1747.69 | 1226.73 |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS | 520.96 | 47.87 |

Note: Cash and Cash equivalents represents Cash and Bank balances.

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

MURTUZA VAJIHI
Partner

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

MOFATRAJ P. MUNOT
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DHAVAL K. VUSSONJI
BHOUMICK S. VAIDYA

Chairman
Managing Director
Dy. Managing Director

Directors

Mumbai :
Dated: 24th May, 2013

Our Products and their uses

1. SUNBLIS:

PVC Rigid film ideally suited for packaging of pharmaceuticals 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 products, 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, curtains, handbags, diary covers, folders and other stationery items, air balloons, anti static covers, cable and other industrial uses.

5. SUNPAC:

Flute Board.

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

Our Exports

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

| | | | | |
|------------|--------|------------|--------------|----------|
| ALGERIA | GHANA | LEBANON | NIGERIA | TANZANIA |
| AUSTRALIA | ITALY | MADAGASCAR | SAUDI ARABIA | UAE |
| BAHRAIN | IRAQ | MAURITIUS | SRI LANKA | UGANDA |
| BANGLADESH | JORDAN | MOROCCO | SUDAN | YEMEN |
| EGYPT | KENYA | NEPAL | SYRIA | |

Financial Position at a Glance

(Rupees in lakhs)

| | 31.03.2004 (15 Months) | 31.03.2005 | 31.03.2006 | 31.03.2007 | 31.03.2008 | 31.03.2009 | 31.03.2010 | 31.03.2011 | 31.03.2012 | 31.03.2013 |
|--|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| WE OWNED | | | | | | | | | | |
| Fixed Assests | 2156.45 | 2065.87 | 2119.61 | 3466.98 | 3360.94 | 3022.04 | 2659.35 | 2393.20 | 2098.18 | 1968.46 |
| Investments | — | — | — | 200.00 | 201.37 | — | — | — | — | — |
| Inventories | 2054.61 | 2114.29 | 2363.88 | 2761.93 | 2838.85 | 2380.61 | 2155.76 | 3071.15 | 2961.88 | 2788.41 |
| Receivables | 3488.35 | 3854.84 | 3624.64 | 3902.23 | 4118.37 | 4571.11 | 4747.07 | 5349.16 | 5263.05 | 6303.34 |
| Liquid Funds | 1738.07 | 1425.34 | 2448.02 | 1265.70 | 1023.27 | 2324.11 | 2375.67 | 1178.86 | 1226.73 | 1747.69 |
| Advances | 608.97 | 431.90 | 371.76 | 632.43 | 584.29 | 332.44 | 541.37 | 876.40 | 1519.72 | 1223.45 |
| | 10046.45 | 9892.24 | 10927.91 | 12229.27 | 12127.09 | 12630.31 | 12479.22 | 12868.77 | 13069.56 | 14031.35 |
| WE OWED | | | | | | | | | | |
| Institutional Loans | 695.65 | — | — | — | — | — | — | — | — | — |
| Payable & Provisions | 2160.86 | 1790.51 | 2271.40 | 3059.11 | 2942.80 | 3276.75 | 2865.90 | 2908.42 | 2636.35 | 3224.04 |
| Dividends | — | — | 149.76 | 153.67 | 153.67 | 230.49 | 382.88 | 228.97 | 228.97 | 230.49 |
| | 2856.51 | 1790.51 | 2421.16 | 3212.78 | 3096.47 | 3507.24 | 3248.78 | 3137.39 | 2865.32 | 3454.53 |
| 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 | 6690.47 | 6794.63 | 7193.35 | 7703.09 | 7717.22 | 7809.67 | 7917.04 | 8417.98 | 8890.84 | 9263.42 |
| Others | (813.93) | (6.30) | — | — | — | — | — | — | — | — |
| | 7189.94 | 8101.73 | 8506.75 | 9016.49 | 9030.62 | 9123.07 | 9230.44 | 9731.38 | 10204.24 | 10576.82 |
| | 10046.45 | 9892.24 | 10927.91 | 12229.27 | 12127.09 | 12630.31 | 12479.22 | 12868.77 | 13069.56 | 14031.35 |
| What We Earned and Spent | | | | | | | | | | |
| EARNINGS | 15154.79 | 14191.84 | 14223.01 | 14609.73 | 14642.02 | 17022.36 | 18184.97 | 20842.52 | 21467.00 | 24518.59 |
| OUTGOINGS: | | | | | | | | | | |
| Materials | 8333.12 | 8432.20 | 8193.98 | 8466.85 | 8910.59 | 10745.76 | 11116.48 | 13176.48 | 13411.17 | 15252.57 |
| Excise | 1828.68 | 1754.19 | 1777.74 | 1746.87 | 1792.23 | 1560.20 | 1141.88 | 1596.20 | 1617.75 | 2145.41 |
| Expenses | 3932.09 | 3131.62 | 3270.37 | 3274.96 | 3231.13 | 3797.51 | 4250.63 | 4583.75 | 5032.86 | 5737.42 |
| Depreciation | 475.17 | 314.69 | 278.14 | 301.67 | 418.27 | 418.95 | 383.73 | 366.18 | 349.39 | 420.12 |
| Trf. From revaluation reserve | (20.50) | (12.00) | (12.00) | (12.00) | (12.00) | (12.00) | (12.00) | (12.00) | (12.00) | (76.00) |
| | 14548.56 | 13620.70 | 13508.23 | 13778.35 | 14340.22 | 16510.42 | 16880.72 | 19710.61 | 20399.17 | 23479.52 |
| Profit before extraordinary items & tax | 606.23 | 571.14 | 714.78 | 831.38 | 301.80 | 511.94 | 1304.25 | 1131.91 | 1067.83 | 1039.07 |
| Extraordinary income/(expense) | (99.14) | 361.55 | (6.30) | 197.03 | — | — | — | — | — | — |
| Tax Provision | 2.60 | 28.10 | 148.00 | 353.00 | 122.00 | 177.00 | 802.00 | 390.00 | 354.00 | 360.00 |
| Net Profit | 504.49 | 904.59 | 560.48 | 675.41 | 179.80 | 334.94 | 502.25 | 741.91 | 713.83 | 679.07 |
| Dividend & Tax | — | — | 149.76 | 153.67 | 153.67 | 230.49 | 382.88 | 228.97 | 228.97 | 230.49 |
| | 504.49 | 904.59 | 410.72 | 521.74 | 26.13 | 104.45 | 119.37 | 512.94 | 484.86 | 448.58 |

caprihans

INDIA LIMITED

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders may obtain additional Attendance Slips on request. (Ref. Folio No., DP. Id., Client Id., Name of the Shareholder/Joint holders as given on the mailing slip to be furnished below.)

| | | |
|------------|----------|-------------|
| FOLIO NO.: | DP. Id*: | Client Id*: |
|------------|----------|-------------|

NAME OF THE SHAREHOLDER:

I hereby record my presence at the 67th Annual General Meeting of the Company at the Ravindra Natya Mandir, Mini Theatre, 3rd Floor, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025 on Friday, the 6th September, 2013.

Signature of the
Shareholder or Proxy

NOTE:

Shareholders/Proxy holders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signatures.

FORM OF PROXY

(Ref. Folio No., DP. Id., Client Id., Name of the Shareholder/Joint holders & address as given on the mailing slip to be furnished below):

| | | |
|------------|----------|-------------|
| FOLIO NO.: | DP. Id*: | Client Id*: |
|------------|----------|-------------|

I/We..... of.....

being a member/members of CAPRIHANS INDIA LIMITED hereby appoint

..... of.....

or failing him.....

ofor failing him.....

ofas my/our proxy to vote for me/us and

on my/our behalf at the 67th Annual General Meeting of the Company to be held on Friday, the 6th September, 2013 at 4.00 p.m. or any adjournment or adjournments thereof.

As witness my/our hand(s) this.....day of2013.

Signed by the said

Affix a
1 Rupee
Revenue
Stamp

* Applicable for investors holding shares in electronic form.

NOTE: The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.




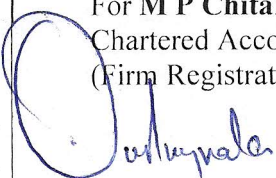
BOOK POST

If not delivered, please return to:

CAPRIHANS INDIA LIMITED
Block-D, Shivsagar Estate,
Dr. Annie Besant Road,
Worli, Mumbai 400 018.

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

| | | | |
|----|---|---|--|
| 1. | Name of the Company | : | Caprihans India Limited |
| 2. | Annual standalone financial statements for the year ended | : | 31 st March, 2013 |
| 3. | Type of Audit observation | : | Matter of Emphasis |
| 4. | Frequency of observation | : | w.e.f. 31.12.1999 |
| 5. | For Caprihans India Limited | | |
| |  | |  |
| | Robin Banerjee Managing Director | | K R Viswanathan Executive Vice President (Finance) |
| |  | | |
| | Rakesh Khanna Audit Committee Chairman | | |
| | Place : Mumbai Date : 24 th May 2013 | | |
| | Refer our Audit Report dated 24 th May, 2013 on the standalone financial statements of the Company | | |
| | For M P Chitale & Co. Chartered Accountants (Firm Registration No. 101851W) | | |
| |  | | |
| | Murtuza Vajih Partner (Membership No.112555) | | |
| | Place : Mumbai Date : 24 th May, 2013 | | |