



## 66<sup>th</sup> ANNUAL REPORT 2011-2012

**Bilcare**  
*Research*

**DIRECTORS**

MOFATRAJ P. MUNOT

Chairman

R. BALASUBRAMANIAN

Managing Director

SURESH A. GANDHI

RAKESH KHANNA

RAHUL G. DIVAN

DHAVAL K. VUSSONJI

**SECRETARY**

K.R. VISWANATHAN

**BANKERS**

BANK OF MAHARASHTRA

HDFC BANK LTD

STATE BANK OF INDIA

**AUDITORS**

M.P. CHITALE & CO.,

Chartered Accountants

**REGISTERED OFFICE**

BLOCK-D, SHIVSAGAR ESTATE,

DR. ANNIE BESANT ROAD,

WORLI, MUMBAI 400 018.

Tel.: 3047 8664, 3047 8665

Web: [www.caprihansindia.com](http://www.caprihansindia.com)

**FACTORIES**

PLOT NOS. C-13/16, ROAD NO. 16/T, WAGLE INDUSTRIAL ESTATE, THANE 400 604.

PLOT NOS. 76/77 MIDC INDUSTRIAL ESTATE, TRIMBAK ROAD, SATPUR, NASIK 422 007.

## Notice of Annual General Meeting

NOTICE is hereby given that the Sixty-sixth Annual General Meeting of the Shareholders of **CAPRIHANS INDIA LIMITED** will be held on **FRIDAY, the 14TH SEPTEMBER, 2012 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 2012 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. Suresh A. Gandhi 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 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.

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: 28th May, 2012.

### NOTES:

- (a) Pursuant to Clause 49 of the Listing Agreement, the relevant details in respect of Item Nos 3 and 4 is annexed herewith (Annexure I).
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (c) Proxies in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (d) The Register of Members and Share Transfer Books of the Company will be closed from MONDAY, 3RD SEPTEMBER, 2012 to FRIDAY, 14TH SEPTEMBER, 2012 ( 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 14th September, 2012.
- (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 31<sup>st</sup> March, 2011 are requested to send their claims directly to the Company or to Link Intime India Pvt Ltd, the Company's Registrars and Transfer Agents (the R & T Agents).
- (g) The equity shares of the Company are available for trading in dematerialised form (scrip less trading in electronic form) through Depository Participants. The ISIN code is INE 479A01018.

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

## ANNEXURE (I) TO THE NOTICE DATED 28TH MAY, 2012

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. Suresh A. Gandhi	Mr. Rakesh Khanna
Date of Birth	25th September, 1950	14th January, 1952
Date of first appointment	1st August, 1983	11th November, 2010
Qualifications	Chartered Accountant	B.Com (Hons), FCA
Expertise in specific functional areas and experience	Mr. Suresh A. Gandhi became a Director in 1983 and was Managing/Jt. Managing Director from 1984 to 1997. Mr. Suresh A. Gandhi has vast experience and knowledge in the field of plastics and real estate. He is a member of various committees related to plastic industry.	Mr. Rakesh Khanna is a Chartered Accountant having experience of over 36 years. He has served the Industry and Profession in various capacities across various organisations of repute.
Directorships held in other Companies (Excluding Private Companies)	Nil	Foundation for promotion of sports & Games Gee-Cee Ventures Ltd GCIL Finance Ltd Mangal Keshav Capital Ltd Mangal Keshav Distributors Ltd Mangal Keshav Holdings Ltd Mangal Keshav Insurance Brokers Ltd Mangal Keshav Securities Ltd M K Commodity Brokers Ltd Amforge Industries Ltd
Committee positions held in other companies	Nil	<b>Audit Committee</b> Gee - Cee Ventures Ltd - Chairman Mangal Keshav Capital Ltd - Chairman Mangal Keshav Holdings Ltd - Chairman Mangal Keshav Securities Ltd - Chairman <b>Shareholders/Investor Grievance Committee</b> Gee - Cee Ventures Ltd - Member Amforge Industries Ltd - Member Mangal Keshav Distributors Ltd - Member Mangal Keshav Insurance Brokers Ltd - Member

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: 28th May, 2012

## Directors' Report

To THE MEMBERS

Your Directors presents their Sixty-sixth Annual Report on the business and operations of the Company together with the audited accounts for the year ended 31st March, 2012.

### 1. FINANCIAL RESULTS:

	Year ended 31st March, 2012 Rs. in Lakhs	Year ended 31st March, 2011 Rs. in Lakhs
Profit before Finance cost depreciation and tax	1405.56	1486.50
Finance cost	0.34	0.41
Depreciation	337.39	354.18
Profit before tax	1067.83	1131.91
Provision for tax		
— Current Tax	395.00	371.00
— Deferred Tax	(41.00)	19.00
Profit after tax	713.83	741.91
Balance from last year	1581.51	1118.57
	<b>2295.34</b>	<b>1860.48</b>
Appropriations:		
Proposed Dividend	197.01	197.01
Tax on Dividend	31.96	31.96
Transfer to General Reserve	50.00	50.00
Carried forward to Balance Sheet	2016.37	1581.51
	<b>2295.34</b>	<b>1860.48</b>

### 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, 2012.

### 3. PERFORMANCE:

The Company's turnover for the year amounted to Rs. 211 crores as compared to Rs. 203 crores in the previous year. The Company earned a profit (before tax) of Rs. 1068 lakhs as compared to Rs. 1132 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, 2012 and of the Profit of the Company for the year ended 31st March, 2012.
- 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:**

Re-appointment of Director liable to retire by rotation -

In terms of Section 256 of the Companies Act, 1956, Mr. Suresh A. Gandhi and Mr. Rakesh Khanna are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Other information pertaining to Mr. Suresh A. Gandhi and Mr. Rakesh Khanna is provided in Corporate Governance Report annexed as Annexure – II to this Report.

**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 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: 28th May, 2012

MOFATRAJ P. MUNOT  
Chairman

## Annexure I to the Directors' Report

### A. CONSERVATION OF ENERGY

- |   |   |  |
|---|---|--|
| (a) Energy conservation measures  | : | 1. Maintaining the improved power factor.<br>2. 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.<br>(b) Improved and timely technical services to the customers.<br>(c) Developed new source/Vendor for various processes. |
| 2. Benefits derived as a result of the above R&D          | : | (a) Reduction in customer complaints.<br>(b) Saving in raw material cost.<br>(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, 2012**  
(Rs. in Lakhs)

(a) Capital	-
(b) Recurring	15.05
(c) Total	15.05
(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. 3585 lakhs.<br>(ii) Expenditure in foreign currency- Rs.49 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	** Committee Membership	** Committee Chairmanship
Mr. Mofatraj P. Munot (Chairman)	Promoter Non-Executive	2	1	-
Mr. R. Balasubramanian (Managing Director)	Executive	-	-	-
Mr. Suresh A. Gandhi	Non-Promoter Non-Executive	-	-	-
Mr. Rakesh Khanna	Independent Non-Executive	10	4	4
Mr. Rahul G. Divan	Independent Non-Executive	1	1	-
Mr. Dhaval K. Vussonji	Independent Non-Executive	-	-	-

#### 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 current strength of six (6) Directors, three are independent which complies with the requirements of the Listing Agreement relating to the composition of the Board.

**The brief profile of Mr. Suresh A. Gandhi (seeking re-appointment)** is as under –

Mr. Suresh A Gandhi retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The abbreviated resume of Mr. Suresh A. Gandhi is as under –

Name : Mr. Suresh A. Gandhi  
Date of Birth : 25th September, 1950  
Education : Chartered Accountant

Mr. Suresh A. Gandhi, became a Director in 1983 and was Managing Director/Jt. Managing Director from 1984 to 1997. He has vast experience and knowledge in the field of plastics and real estate. He is a member of various committees related to plastic industry.

Current Board positions (excluding Private Companies) and Membership/ Chairmanship of Audit Committee and Shareholders/ Investors Grievance Committee only - **N I L**

**The brief profile of Mr. Rakesh Khanna (seeking re-appointment)** is as under –

Mr. Rakesh Khanna retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The abbreviated resume of Mr. Rakesh Khanna is as under –

Name : Mr. Rakesh Khanna  
Date of Birth : 14th January, 1952  
Education : B. Com (Hons), FCA

Mr. Rakesh Khanna is a Chartered Accountant having experience of over 36 years. He has served the industry and profession in various capacities across various organisations of repute.

Current Board positions (excluding Private Companies) and Membership/ Chairmanship of Audit Committee and Shareholders/ Investors Grievance Committee only-

Sr. No.	Name of Company	Position held in Board	Position held in Committees
1.	Foundation for Promotion of Sports & Games	Director	Nil
2.	Gee-Cee Ventures Limited	Director	Chairman– Audit Committee Member – Shareholder’s Committee
3.	GCIL Finance Limited	Director	Nil
4.	Mangal Keshav Capital Limited	Director	Chairman- Audit Committee
5.	Mangal Keshav Distributors Limited	Director	Member – Shareholder’s Committee
6.	Mangal Keshav Holdings Limited	Director	Chairman – Audit Committee
7.	Mangal Keshav Insurance Brokers Limited	Director	Member – Shareholder’s Committee
8.	Mangal Keshav Securities Limited	Director	Chairman –Audit Committee
9.	MK Commodity Brokers Limited	Director	Nil
10.	Amforge Industries Limited	Director	Member – Shareholder’s Committee

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

During the year ended 31st March, 2012 seven Board Meetings were held on 26/05/2011, 01/08/2011, 01/11/2011, 24/11/2011, 06/12/2011, 01/02/2012 and 09/03/2012.

Attendance at above Board Meetings and at last Annual General Meeting (AGM) held on 27th September, 2011 is as under:

Name of the Director	No of Board Meetings attended	Attendance at last AGM
Mr. Mofatraj P. Munot	3	Yes
Mr. R.Balasubramanian	7	Yes
Mr. Suresh A. Gandhi	1	-
Mr. Rakesh Khanna	6	Yes
Mr. Rahul G. Divan	7	Yes
Mr. Dhaval K. Vussonji	4	-

**Shareholding of Non-Executive Directors as on 31/03/2012 is as under:**

1.	Mr. Mofatraj P. Munot	262850 Equity shares
2.	Mr. Suresh A. Gandhi	118447 Equity shares
3.	Mr. Rakesh Khanna	-
4.	Mr. Rahul G. Divan	-
5.	Mr. Dhaval K. Vussonji	-

**3. Committees of the Board**
**A. Audit Committee:**

During the year ended 31st March, 2012 four Audit Committee Meetings were held on 26/05/2011, 01/08/2011, 01/11/2011 and 01/02/2012. 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	2

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, 2012 no meeting was held. The details of the Committee are as under:

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

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

**Remuneration to Directors**

The details of remuneration paid to Mr.R.Balasubramanian, Managing Director for the period 01/04/2011 to 31/03/2012 is as under:

(i)	Gross Salary including perquisites	: Rs. 39.76 lakhs
(ii)	Company's contribution to Provident & other Fund	: Rs. 9.20 lakhs
	Total	: Rs. 48.96 lakhs

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