



## 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](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-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.



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

**ANNEXURE II**

Name of the Director	Mr. Mofatraj P. Munot	Mr. Rakesh Khanna	Mr. Rahul G. Divan	Mr. Dhaval K. Vussonji	Mr. Krishna S. Dutt	Mrs. Naina P. Hegde	Mr. Robin Banerjee
Date of Birth	4th October, 1944	14th January, 1952	25th December, 1968	4th November, 1978	16th October, 1974	18th December, 1962	20th August, 1955
Date of first appointment	28th May, 1986	11th November, 2010	11th November, 2010	11th November, 2010	7th December, 2012	25th October, 2012	28th March, 2013
Qualifications	Higher Secondary	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. 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 Chandabhoj & Jasoobhoy, 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 & Acquisitions, Takeovers, Open offers, Real Estate projects, shipping contracts and International Arbitrations.	Mr. Krishna S. Dutt is an Advocate by profession. He is the managing partner of M/s. Udwadia 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 Capital Ltd Services Ltd Mangal Keshav Insurance Brokers Ltd M K Commodity Brokers Ltd Aniforge Industries Ltd	Integra Engineering India 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  Integra Engineering India 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	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
	<b>2695.44</b>	<b>2295.34</b>
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
	<b>2695.44</b>	<b>2295.34</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, 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