



65th ANNUAL REPORT 2010-2011

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

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.

Financial Position at a Glance

(Rupees in lakhs)

	31.12.2001	31.12.2002	31.03.2004 (15 Months)	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011
WE OWNED										
Fixed Assests	2851.05	2469.34	2156.45	2065.87	2119.61	3466.98	3360.94	3022.04	2659.35	2393.20
Investments	23.40	-	-	-	-	200.00	201.37	-	-	-
Inventories	1952.68	2276.62	2054.61	2114.29	2363.88	2761.93	2838.85	2380.61	2155.76	3071.15
Receivables	2804.65	3377.65	3488.35	3854.84	3624.64	3902.23	4118.37	4571.11	4747.07	5349.16
Liquid Funds	444.30	572.37	1738.07	1425.34	2448.02	1265.70	1023.27	2324.11	2375.67	1178.86
Advances	1048.23	1002.61	608.97	431.90	371.76	632.43	584.29	332.44	541.37	876.40
	9124.31	9698.59	10046.45	9892.24	10927.91	12229.27	12127.09	12630.31	12479.22	12868.77
WE OWED										
Institutional Loans	581.37	655.88	695.65	-	-	-	-	-	-	-
Other Loans	-	-	-	-	-	-	-	-	-	-
Payable & Provisions	2066.86	2190.48	2160.86	1790.51	2271.40	3059.11	2942.80	3276.75	2865.90	2908.42
Dividend & Tax	-	-	-	-	149.76	153.67	153.67	230.49	382.88	228.97
	2648.23	2846.36	2856.51	1790.51	2421.16	3212.78	3096.47	3507.24	3248.78	3137.39
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	6888.97	6870.97	6690.47	6794.63	7193.35	7703.09	7717.22	7809.67	7917.04	8417.98
Others	(1726.29)	(1332.14)	(813.93)	(6.30)	-	-	-	-	-	-
	6476.08	6852.23	7189.94	8101.73	8506.75	9016.49	9030.62	9123.07	9230.44	9731.38
	9124.31	9698.59	10046.45	9892.24	10927.91	12229.27	12127.09	12630.31	12479.22	12868.77
What We Earned and Spent										
EARNINGS	9926.41	10892.34	15154.79	14191.84	14223.01	14609.73	14642.02	17022.36	18184.97	20842.52
OUTGOINGS:										
Materials	4782.21	5955.05	8333.12	8432.20	8193.98	8466.85	8910.59	10745.76	11116.48	13176.48
Excise	1124.57	1287.64	1828.68	1754.19	1777.74	1746.87	1792.23	1560.20	1141.88	1596.20
Expenses	3441.82	2856.36	3932.09	3131.62	3270.37	3274.96	3231.13	3797.51	4250.63	4583.75
Depreciation	388.60	382.54	475.17	314.69	278.14	301.67	418.27	418.95	383.73	366.18
Trf. From Revaluation Reserve	(18.00)	(18.00)	(20.50)	(12.00)	(12.00)	(12.00)	(12.00)	(12.00)	(12.00)	(12.00)
	9719.20	10463.59	14548.56	13620.70	13508.23	13778.35	14340.22	16510.42	16880.72	19710.61
Profit before extraordinary items & tax	207.21	428.75	606.23	571.14	714.78	831.38	301.80	511.94	1304.25	1131.91
Extraordinary income/(expense)	(122.32)	(20.33)	(99.14)	361.55	(6.30)	197.03	-	-	-	-
Tax Provision	-	2.60	2.60	28.10	148.00	353.00	122.00	177.00	802.00	390.00
Net Profit	84.89	405.82	504.49	904.59	560.48	675.41	179.80	334.94	502.25	741.91
Dividend & Tax	-	-	-	-	149.76	153.67	153.67	230.49	382.88	228.97
	84.89	405.82	504.49	904.59	410.72	521.74	26.13	104.45	119.37	512.94

Notice of Annual General Meeting

NOTICE is hereby given that the Sixty-fifth Annual General Meeting of the Shareholders of **CAPRIHANS INDIA LIMITED** will be held on **TUESDAY**, the **27TH SEPTEMBER, 2011** 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 2011 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 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.
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“**RESOLVED** that Mr. Rakesh Khanna be and is hereby appointed as a Director of the Company liable to retire by rotation”.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“**RESOLVED** that Mr. Rahul G Divan be and is hereby appointed as a Director of the Company liable to retire by rotation”.

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“**RESOLVED** that Mr. Dhaval K Vussonji be and is hereby appointed as a Director of the Company liable to retire by rotation”.

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: 26th May, 2011.

NOTES:

- (a) An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Item Nos 5, 6 and 7 is annexed herewith (Annexure I). Pursuant to Clause 49 of the Listing Agreement, the relevant details in respect of Item Nos 3, 5, 6 and 7 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 WEDNESDAY, 14TH SEPTEMBER, 2011 to TUESDAY, 27TH SEPTEMBER, 2011 (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 27th September, 2011.
- (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, 2010 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.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with their concerned Depository Participants. Members who hold shares in physical form are requested to send a duly signed letter to the R & T Agents quoting their folio no., and e-mail id.

ANNEXURE (I) TO THE NOTICE DATED 26TH MAY, 2011

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 5

Mr. Rakesh Khanna was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 11th November, 2010 under Article 152 of the Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 Mr. Rakesh Khanna 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. Rakesh Khanna as a Director of the Company liable to retire by rotation.

Mr. Rakesh Khanna 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. Rakesh Khanna 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 commends this Resolution for your approval.

Item No. 6

Mr. Rahul G Divan was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 11th November, 2010 under Article 152 of the Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 Mr. Rahul G Divan 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. Rahul G Divan as a Director of the Company liable to retire by rotation.

Mr. Rahul G Divan 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. Rahul G Divan 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 commends this Resolution for your approval.

Item No. 7

Mr. Dhaval K Vussonji was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 11th November, 2010 under Article 152 of the Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 Mr. Dhaval K Vussonji 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. Dhaval K Vussonji as a Director of the Company liable to retire by rotation.

Mr. Dhaval K Vussonji 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. Dhaval K Vussonji 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 commends this Resolution for your approval.

ANNEXURE (II) TO THE NOTICE DATED 26TH MAY, 2011

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. 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 ICAE & W, Fellow ICAI, Foundation (Oxford Polytechnic, U K), B A (Eco & Comm)	B.Com, ACA, LLB
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 43 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 and Pharmaceuticals.	Mr. Rakesh Khanna is a Chartered Accountant having experience of over 35 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 & Jasoobhoy, Ahmedabad. Mr. Divan had worked in Europe with Pricewaterhouse Coopers in Latvia and Lithuania for 3 years. Primarily worked for commercial clients both in manufacturing and service sectors. Mr. Divan possess expertise and specialisation in Auditing & Accounting, Taxation, Business and Management advisory services.	Mr. Dhaval K Vussonji is a Chartered Accountant and Advocate by profession. He is a partner of M/S. Kanga & Co, Advocate & Solicitors. Mr. Vussonji possess expertise in Public Issue, Mergers & Amalgamations, Takeover, Open offers and advisory in Real Estate projects, shipping contracts and International Arbitrations.
Directorships held in other Companies (Excluding Private Companies)	Kalpataru Ltd Rajratan Global Wire Ltd Kalpataru Power Transmission Ltd	Foundation for promotion of sports & Games Geecee Ventures Ltd GCIL Ventures 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	Integra India Group Company Ltd	NIL
Committee positions held in other companies	Audit Committee Kalpataru Power Transmission Ltd - Member Shareholders/Investor Grievance Committee Kalpataru Limited - Member	Audit Committee GCIL Ventures Ltd - Chairman Mangal Keshav Capital Ltd - Chairman Mangal Keshav Distributors Ltd - Member Mangal Keshav Holdings Ltd - Chairman Mangal Keshav Insurance Brokers Ltd - Member Mangal Keshav Securities Ltd - Chairman Amforge Industries Ltd - Member Shareholders/Investor Grievance Committee GCIL Ventures Ltd - Member	NIL Shareholders/Investor Grievance Committee Integra India Group Company Ltd - Member	NIL NIL

By Order of the Board of Directors

K.R.VISWANATHAN
Secretary

Registered Office:

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

Dated: 26th May, 2011

Directors' Report

To THE MEMBERS

Your Directors presents their Sixty-fifth Annual Report on the business and operations of the Company together with the audited accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS:

	Year ended 31st March, 2011	Year ended 31st March, 2010
	(Rs. in Lakhs)	
Profit before interest, depreciation and tax	1486.50	1676.39
Interest	0.41	0.41
Depreciation	354.18	371.73
Profit before tax	1131.91	1304.25
Provision for tax		
— Current Tax	371.00	475.00
— Deferred Tax	19.00	27.00
— Earlier Years	-	300.00
Profit after tax	741.91	502.25
Balance from last year	1118.57	1054.20
	1860.48	1556.45
Appropriations:		
Proposed Dividend	197.01	328.35
Tax on Dividend	31.96	54.53
Transfer to General Reserve	50.00	55.00
Carried forward to Balance Sheet	1581.51	1118.57
	1860.48	1556.45

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, 2011.

3. PERFORMANCE:

The Company's turnover for the year amounted to Rs. 203 crores as compared to Rs. 178 crores in the previous year. The Company earned a profit (before tax) of Rs. 1132 lakhs as compared to Rs. 1304 lakhs in the previous year.

4. MANAGEMENT CONTROL :

During the year, there was a change in management control of the Company. Pursuant to the "Merger Agreement" approved by the relevant Court in Germany, the Company has become part of "Bilcare Group", effective 1st September, 2010.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the Profit of the Company for the year ended 31st March, 2011.

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

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

6. DIRECTORS:

Resignation of Director(s):

During the year, Mr. Ravindra K. Kulkarni, Mr. Dhananjay N. Mungale and Mr. Nikhilesh Panchal resigned from the Board effective 28/09/2010. Mr. Satish B. Zaveri and Mr. Stephen J. Reynolds, also resigned from the Board effective 08/10/2010 and 08/11/2010 respectively. The Board at its meeting held on 11/11/2010 took note of the same and recorded its appreciation of the valuable service and guidance rendered by the above Directors during their tenure.

Additional Director(s):

The Board appointed Mr. Rakesh Khanna, Mr. Rahul G. Divan and Mr. Dhaval K. Vussonji as Additional Directors of the Company on 11/11/2010 and they hold office upto the date of forthcoming Annual General Meeting. Necessary resolutions seeking your approval for their appointment are set out in the Notice convening the forthcoming Annual General Meeting.

Re-appointment of Director liable to retire by rotation:

In terms of Section 256 of the Companies Act, 1956, Mr. Mofatraj P. Munot, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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

7. 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.

8. INDUSTRIAL RELATIONS:

The industrial relations remained cordial during the year.

9. 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.

10. AUDITORS:

Messrs. M.P. Chitale and Company, Chartered Accountants, retire at the forthcoming Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and being eligible, offer themselves for re-appointment. Observations in the Auditors' report regarding Note Nos. 3(a) and 6 of Schedule 6 to the Accounts are non-qualificatory in nature.

11. 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.

12. 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: 26th May, 2011

MOFATRAJ P MUNOT
Chairman

Annexure I to the Directors' Report

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures : 1. Maintaining the improved power factor.
2. Replacement of Calender drives.
3. Replacement of conventional lights with energy efficient lamps, where necessary.
- (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) Improved and timely technical services to the customers.
(c) Introduction of PVDC coating on Jewel Films including new shades.
(d) Developed new source/Vendor for metallising process.
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, 2011
(Rs. in Lakhs)

(a) Capital	-
(b) Recurring	13.88
(c) Total	13.88
(d) Total R&D Expenditure as a percentage of total turnover	0.07

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. Also a reduction in the areas of raw material cost and energy cost.
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. 2400 Lakhs.
2. Total foreign exchange
- (a) Used : (i) CIF Value of Imports – Rs. 3904 lakhs.
: (ii) Expenditure in foreign currency – Rs. 57 lakhs.
(For details refer Schedule 5 to the Profit and Loss Account)
- (b) Earned : FOB value of exports and marketing services – Rs. 2400 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	3	2	-
Mr. R. Balasubramanian (Managing Director)	Executive	-	-	-
Mr. Suresh A Gandhi	Non-Promoter Non-Executive	-	-	-
Mr. Stephen J Reynolds (A)	Promoter Non-Executive	-	-	-
Mr. Ravindra K Kulkarni (B)	Independent Non-Executive	7	4	2
Mr. Satish B Zaveri (C)	Independent Non-Executive	2	-	-
Mr. Dhananjay N Mungale (B)	Independent Non-Executive	8	5	4
Mr. Nikhilesh Panchal (B)	Independent Non-Executive	1	-	-
Mr. Rakesh Khanna (D)	Independent Non-Executive	10	4	4
Mr. Rahul G Divan (D)	Independent Non-Executive	1	1	-
Mr. Dhaval K Vussonji (D)	Independent Non-Executive	-	-	-

(A) – Ceased to be Director on 8th November, 2010

(B) – Ceased to be Director on 28th September, 2010

(C) – Ceased to be Director on 8th October, 2010

(D) – Appointed as an Additional Director on 11th November, 2010

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.

Mr. Rakesh Khanna, Mr. Rahul G. Divan and Mr. Dhaval K. Vussonji were appointed as Additional Director(s) of the Company on 11th November, 2010 and hold office up to the forthcoming Annual General Meeting.

The brief profile 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 an experience of over 35 years. He has served the industry and profession in various capacities across various organizations 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.	GeeCee Ventures Limited	Director	Nil
3.	GCIL Ventures Limited	Director	Chairman – Audit Committee Member – Shareholder’s Committee
4.	Mangal Keshav Capital Limited	Director	Chairman – Audit Committee
5.	Mangal Keshav Distributors Limited	Director	Member – Audit Committee
6.	Mangal Keshav Holdings Limited	Director	Chairman – Audit Committee
7.	Mangal Keshav Insurance Brokers Limited	Director	Member – Audit Committee
8.	Mangal Keshav Securities Limited	Director	Chairman – Audit Committee
9.	MK Commodity Brokers Limited	Director	Nil
10.	Amforge Industries Limited	Director	Member – Audit Committee

The brief profile of Mr. Rahul G Divan is as under –

Name : Mr. Rahul G Divan
 Date of Birth : 25th December, 1968
 Education : Fellow ICAE&W, Fellow ICAI, Foundation (Oxford Polytechnic, UK),
 B A (Eco. & Comm.), Bombay University

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 (Formerly Coopers & Lybrand) in Latvia and Lithuania for three years, primarily worked for commercial clients, both in manufacturing and service sectors. Mr. Divan possess expertise and specialization in Auditing & Accounting, Taxation, Business Advisory Services, Management Advisory Services

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.	Integra India Group Company Limited	Director	Member – Shareholder’s Committee

The brief profile of Mr. Dhaval K. Vussonji, is as under –

Name : Mr. Dhaval K Vussonji
Date of Birth : 4th November,1978
Education : B. Com, ACA, LLB.

Mr. Dhaval K Vussonji is a Chartered Accountant and an Advocate. He is a partner of M/s. Kanga & Company, Advocates & Solicitors. Mr. Vussonji possess expertise in Public Issues, Mergers & Amalgamations, Takeovers, Open Offers apart from Advisory in Real estate projects, shipping contracts and International arbitrations.

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

The brief profile of Mr. Mofatraj P Munot (seeking re-appointment) is as under –

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

Name : Mr. Mofatraj P Munot
Date of Birth : 4th October,1944
Education : Higher Secondary

Mr. Mofatraj P Munot is the Chairman of the Company, who became a Director in 1986 and was Managing Director from 1992 to 1997. He is an eminent industrialist with 43 years of business experience across various verticals. He is the guiding force behind Kalpataru Group of Companies engaged in real estate and construction activities, Power Transmission towers and Pharmaceuticals.

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.	Kalpataru Limited	Executive Chairman	Member – Shareholder’s Committee
2.	Rajratan Global Wire Limited	Director	Nil
3.	Kalpataru Power Transmission Limited	Chairman	Member – Audit Committee

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

During the year ended 31st March, 2011 four Board Meetings were held on 28/05/2010, 30/07/2010, 11/11/2010 and 31/01/2011.

Attendance at above Board Meetings and at last Annual General Meeting (AGM) held on 27th September, 2010 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	4	Yes
Mr. Suresh A Gandhi	1	-
Mr. Ravindra K Kulkarni	2	Yes
Mr. Stephen J Reynolds	-	-
Mr. Satish B Zaveri	1	-
Mr. Dhananjay N Mungale	1	-
Mr. Nikhilesh Panchal	2	Yes
Mr. Rakesh Khanna	2	Not applicable
Mr. Rahul.G.Divan	2	Not applicable
Mr. Dhaval K Vussonji	2	Not applicable

Share holding of Non-Executive Directors as on 31/03/2011 is as under:

1.	Mr. Mofatraj P Munot	56957 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, 2011 four Audit Committee Meetings were held on 28/05/2010, 30/07/2010, 11/11/2010 and 31/01/2011. The details of the Committee are as under:

Name of the Director	Designation	Category	No.of meetings Attended
Mr. Ravindra K Kulkarni (A)	Chairman	Independent Non-Executive	2
Mr. Satish B Zaveri (B)	Member	Independent Non-Executive	1
Mr. Stephen J Reynolds (C)	Member	Promoter Non-Executive	-
Mr. Nikhilesh Panchal (A)	Member	Independent Non-Executive	2
Mr. Rakesh Khanna (D)	Chairman	Independent Non-Executive	2
Mr. Rahul G Divan (D)	Member	Independent Non-Executive	2
Mr. Dhaval K Vussonji (D)	Member	Independent Non-Executive	2

(A) – Ceased to be Member on 28th September, 2010

(B) – Ceased to be Member on 8th October, 2010

(C) – Ceased to be Member on 8th November, 2010

(D) – Appointed as Member on 11th November, 2010

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, 2011 one meeting was held on 30/07/2010. The details of the Committee are as under:

Name of the Director	Designation	Catagory	No.of meetings Attended
Mr. Satish B Zaveri (A)	Chairman	Independent Non-Executive	1
Mr. Dhananjay N Mungale (B)	Member	Independent Non-Executive	-
Mr. Nikhilesh Panchal (B)	Member	Independent Non-Executive	1
Mr. Rakesh Khanna (C)	Member	Independent Non-Executive	-
Mr. Rahul G Divan (C)	Member	Independent Non-Executive	-
Mr. Dhaval K Vussonji (C)	Member	Independent Non-Executive	-

(A) – Ceased to be Member on 8th October, 2010

(B) – Ceased to be Member on 28th September, 2010

(C) – Appointed as Member on 11th November, 2010

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 01/04/2010 to 31/03/2011 is as under:

(i) Gross Salary including perquisites	:	Rs. 46.60 lakhs
(ii) Company's contribution to Provident & other Fund	:	Rs. 9.20 lakhs
	Total :	Rs. 55.80 lakhs

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

The details of payments to Non-Executive Directors during the period 01/04/2010 to 31/03/2011 are given below:

Name of the Director	Amount (Rs)
Mr. Mofatraj P Munot	41000
Mr. Stephen J Reynolds	-
Mr. Suresh A Gandhi	1000
Mr. Ravindra K Kulkarni	4000
Mr. Satish B Zaveri	3000
Mr. Dhananjay N Mungale	1000
Mr. Nikhilesh Panchal	5000
Mr. Rakesh Khanna	100000
Mr. Rahul G Divan	100000
Mr. Dhaval K Vussonji	100000

Sitting Fees – During the year, Board reviewed the sitting fee paid to Non-executive Directors, and after careful review, the sitting fee was fixed at Rs. 20,000/- (Rupees Twenty thousand only) effective 11/11/2010 for attending each Board or Committee meeting. The above limit was fixed in accordance with Ministry of Finance notification vide G.S.R. 580(E) dated 24.07.2003.

C. Shareholders/Investors Grievance Committee:

During the year ended 31st March, 2011 one meeting was held on 31/01/2011. The details of the Committee are as under:

Name of the Director	Designation	Category	No.of meetings Attended
Mr. Satish B Zaveri (A)	Member	Independent Non-Executive	-
Mr. Stephen J Reynolds (B)	Member	Promoter Non-Executive	-
Mr. Nikhilesh Panchal (C)	Member	Independent Non-Executive	-
Mr. Dhaval K Vussonji (D)	Chairman	Independent Non-Executive	1
Mr. Rakesh Khanna (D)	Member	Independent Non-Executive	1
Mr. Rahul G Divan (D)	Member	Independent Non-Executive	1

(A) – Ceased to be Member on 8th October, 2010

(B) – Ceased to be Member on 8th November, 2010

(C) – Ceased to be Member on 28th September, 2010

(D) – Appointed as Member on 11th November, 2010

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 01/04/2010 to 31/03/2011 are 27. The number of complaints received from SEBI is nil. No transfers were pending as on 31st March, 2011.

General Body Meetings

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

Financial Year ended	Venue	Day and Date	Time
31-03-2010	Ravindra Natya Mandir Mumbai – 400 025	Monday, 27th September 2010	4 p.m.
31-03-2009	Jai Hind College Mumbai – 400 020	Monday, 17th August 2009	3 p.m.
31-03-2008	Jai Hind College Mumbai – 400 020	Friday, 5th September 2008	3 p.m.
Year ended 31-03-2010		- Special Resolution for payment of remuneration to Managing Director for 3 years effective 29th April, 2011 to 28th April, 2013.	
Year ended 31-03-2009		- No Special Resolution was passed	
Year ended 31-03-2008		- No Special Resolution was passed	

No Postal ballots were used for voting in respect of above years.

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 : Tuesday, 27th September, 2011 at 4 p.m.
- Venue : Ravindra Natya Mandir, Mini Theatre, 3rd Floor,
Near Siddhi vinayak Temple, Sayani Marg,
Prabhadevi, Mumbai – 25.

Financial calendar

- (a). 1st April to 31st March
- (b). First quarter results by mid of August 2011.
- (c). Second quarter results by mid of November 2011
- (d). Third quarter results by mid of February 2012.
- (e). Results for the year ending 31st March, 2012 by end May, 2012.

Date of Book Closure

- : Wednesday 14th September, 2011 to Tuesday 27th September, 2011 (both days inclusive).

Dividend payment Date

- : On or after 27th September, 2011

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 01/04/2010 to 31/03/2011) 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
2010 Apr	78.80	62.50	9293	8523
May	74.10	61.25	9260	8160
Jun	88.00	67.00	9132	8451
Jul	104.50	74.00	9558	9064
Aug	113.40	83.55	10022	9375
Sep	104.50	84.25	10375	9561
Oct	90.95	76.00	10918	10268
Nov	103.35	70.60	11366	9233
Dec	88.80	63.25	10229	8617
2011 Jan	80.70	62.05	9920	8333
Feb	78.95	58.25	8551	7471
Mar	68.30	55.10	8228	7730

Name and Address of the Registrar & Transfer Agents :

Link Intime India Pvt Ltd.,

City Office :

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

Suburban Office :

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

Share Transfer System

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, 2011

Range	No. of Shareholders	% of Total	No. of Shares held	% of Total
1 - 500	8058	93.10	819049	6.23
501 - 1000	286	3.31	227507	1.73
1001 - 2000	131	1.51	201750	1.54
2001 - 3000	44	0.51	111754	0.85
3001 - 4000	23	0.27	79786	0.61
4001 - 5000	27	0.31	128071	0.98
5001 - 10000	33	0.38	237973	1.81
Over 10000	53	0.61	11328081	86.25
TOTAL	8655	100.00	13133971	100.00

Shareholding pattern as on 31st March, 2011

	Type of shareholders	No. of shares held	% of Total
1.	Promoters		
	Foreign	6698325	51.00
	Indian	2249721	17.13
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	28616	0.22
6.	Domestic Companies	1011290	7.70
7.	Individuals	2657183	20.23
	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, 2011 a total of 6082444 shares of the Company, which forms 46.31% of the share capital of the Company stand dematerialised.

Your Company's shares are liquid and actively traded on BSE.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	:	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments
Plant Locations	:	1. Plot Nos C-13/16, Road No 16/T, Wagle Industrial Estate, Thane – 400 604 2. Plot Nos 76/77, MIDC Industrial Estate, Trimbak Road, Satpur, Nasik – 422 007
Address for correspondence	:	CAPRIHANS INDIA LIMITED Block - D, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Tel. 3047 8664

7. Non-Mandatory Requirements

The Company at present has not adopted the Non-Mandatory requirements in regard to maintenance of Non-Executive Chairman's office, and sending half-yearly financial performance to the shareholders to their residence. Postal ballots as required by the Companies Act will be followed by the Company.

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, 2011.

For CAPRIHANS INDIA LIMITED

Place : Mumbai
Dated : 26th May, 2011.

R. BALASUBRAMANIAN
Managing Director

Auditor's Certificate

TO THE MEMBERS OF CAPRIHANS INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Caprihans India Limited for the year ended on 31st March 2011 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 implementation thereof by the Company for ensuring compliance with the conditions as stipulated in the said clause; it is not an audit or expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us and the representations made by the directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.P. CHITALE & CO.
Chartered Accountants

ICAI Firm REG No. 101851 W

MURTUZA VAJIHI
Partner

ICAI Membership No. 112555

Place : Mumbai
Dated : 26th May, 2011

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 are expected to grow at new height.

Though the Company is a major player over decades, it faces severe competition in domestic market, as similar products 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 being dominated by countries like China.

SEGMENT PERFORMANCE

Company's business is covered under single business segment and continued to grow in 2010-11.

RISKS AND CONCERNS

INPUT COSTS -

PVC resin, used as key raw material has many industrial competing applications. Resin is a by-product of Petroleum. Given the volatile and upward trend 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 monopoly source may affect 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. 203 crores compared to Rs.178 crores during the previous year. Raw material and other input costs increased during the year. Profit before tax for the year was Rs. 1132 lacs compared to the previous year's profit of Rs. 1304 lacs.

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, 2011 was 356 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.

Auditors' Report

TO THE MEMBERS OF
CAPRIHANS INDIA LIMITED

1. We have audited the attached Balance Sheet of Caprihans India Ltd., as at 31st March, 2011, the Profit and Loss Account for the financial year ended 31st March, 2011 and also the Cash Flow Statement for the financial year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - (b) in the case of the Profit and Loss Account, of the profit for the financial year ended on 31st March, 2011 and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the financial year ended on 31st March 2011.

Emphasis of Matter

Without qualifying our audit opinion, we invite attention to -

- (a) Note no. 3 (a) in Schedule 6 regarding excise duty matters aggregating to Rs. 1582 lakhs disclosed as Contingent Liabilities.
 - (b) Note no. 6 in Schedule 6 regarding delay in realisation of the assets of non-core activities to the extent of Rs. 245 lakhs.
- Paras (a) and (b) above are matters referred to in our audit report for the financial year 2009-10

for M. P. Chitale & Co.
Chartered Accountants
ICAI FRN 101851W

Murtuza Vajih
Partner

ICAI M. No. 112555

Mumbai,
May 26, 2011

Annexure To The Auditors' Report

(Referred to in paragraph 3 of our report of even date on the accounts of Caprihans India Ltd for the 12 months period ended 31st March, 2011)

1. (a) The Company has maintained reasonable records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a programme to verify fixed assets physically once in three years which is in our opinion, reasonable. Accordingly, verification of fixed assets has not been done during the period under audit.
(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. The Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of goods. During the course of our audit we did not notice any continuing failure to correct any major weakness in internal controls.
5. In our opinion and according to the information and explanations given to us the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section and these transactions have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public attracting the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder or the directives issued by RBI.
7. The Company has an internal audit system which, in our opinion is commensurate with the size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we find that the company has generally been regular in depositing undisputed statutory dues such as provident fund, investor education & protection fund, employees' state insurance dues, income tax, wealth tax etc. with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above statutory dues were outstanding as on 31st March, 2011 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 1994-95	594.25	Excise Duty	CESTAT
1996-97 to 1997-98	185.63	Excise Duty	CESTAT
1992-93 to 2001-02	251.18	Excise Duty	Hon Supreme Court
1995-96 to 1997-98	25.28	Excise Duty	Hon Supreme Court
1994-95 to 1996-97	242.14	Excise Duty	Hon Supreme Court
2006-07 to 2008-09	8.14	Service tax	Commissioner (Appeals)
Total	1306.62		

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 FRN 101851W

Murtuza Vajih
Partner
ICAI M. No. 112555

Mumbai,
May 26, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

FUNDS EMPLOYED:	Schedule	Rs in lakhs	As at 31st March,2011 Rs in lakhs	As at 31st March,2010 Rs in lakhs
Share Capital	A		1313.40	1313.40
Reserves and Surplus	B		8417.98	7917.04
Total Shareholders' Funds			<u>9731.38</u>	<u>9230.44</u>
Deferred Tax (Net)	C		103.00	84.00
Total			<u>9834.38</u>	<u>9314.44</u>
APPLICATION OF FUNDS :				
Fixed Assets :	D			
(a) Gross Block			6936.18	6986.12
(b) Less : Depreciation			4548.26	4332.91
(c) Net Block			<u>2387.92</u>	<u>2653.21</u>
(d) Capital Work-in-progress			5.28	6.14
Current Assets :	E			
(a) Inventories		3071.15		2155.76
(b) Sundry Debtors		5349.16		4747.07
(c) Cash and Bank Balances		1178.86		2375.67
(d) Loans and Advances	F		876.40	541.37
			<u>10475.57</u>	<u>9819.87</u>
Less:				
Current Liabilities & Provisions	G			
(a) Current Liabilities			2628.60	2606.10
(b) Provisions			405.79	558.68
			<u>3034.39</u>	<u>3164.78</u>
Net Current Assets			<u>7441.18</u>	<u>6655.09</u>
Total			<u>9834.38</u>	<u>9314.44</u>
Notes on Accounts	6			

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

MURTUZA VAJIHI
Partner

Mumbai
Dated : 26th May, 2011

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

MOFATRAJ P MUNOT
R. BALASUBRAMANIAN

RAKESH KHANNA
RAHUL G DIVAN
DHAVAL K VUSSONJI

Chairman
Managing Director

Directors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	For the year ended 31st March, 2011 Rs in lakhs	For the year ended 31st March, 2010 Rs in lakhs
INCOME			
Sales		20327.39	17783.68
Less : Excise Duty		1596.20	1141.88
		<u>18731.19</u>	<u>16641.80</u>
Increase/(Decrease) in Finished Goods, Work-in-Progress & Scrap	1	156.27	22.77
Other Income	2	358.86	378.52
Transfer from Revaluation Reserve		12.00	12.00
		<u>19258.32</u>	<u>17055.09</u>
EXPENSES :			
Materials	3	13176.48	11116.48
Expenses	4	4583.34	4250.22
Interest		0.41	0.41
Depreciation/Amortisation		366.18	383.73
		<u>18126.41</u>	<u>15750.84</u>
Profit before taxation		1131.91	1304.25
Provision for taxation			
– Current tax		371.00	475.00
– Deferred tax		19.00	27.00
– For earlier years		-	300.00
Profit after taxation		741.91	502.25
Balance from last year		1118.57	1054.20
Amount available for appropriation		<u>1860.48</u>	<u>1556.45</u>
Appropriations:			
- Proposed dividend		197.01	328.35
- Tax on dividend		31.96	54.53
- Transfer to General Reserve		50.00	55.00
Balance carried to Balance Sheet		<u>1581.51</u>	<u>1118.57</u>
Earning per share (Basic/Diluted) in Rs.		5.65	3.82
Additional information pursuant to paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956	5		
Notes on Accounts	6		

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

MURTUZA VAJIHI
Partner

Mumbai
Dated : 26th May, 2011

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

MOFATRAJ P MUNOT
R. BALASUBRAMANIAN

RAKESH KHANNA
RAHUL G DIVAN
DHAVAL K VUSSONJI

Chairman
Managing Director

Directors

Schedules attached to and forming part of the Balance Sheet as at 31st March,2011

SCHEDULE "A"	Rs in lakhs	As at 31st March,2011 Rs in lakhs	As at 31st March,2010 Rs in lakhs
SHARE CAPITAL			
Authorised :			
2,00,00,000 Equity Shares of Rs 10 each		2000.00	2000.00
Issued and Subscribed :			
1,31,33,971 Equity Shares of Rs.10 each fully paid-up		1313.40	1313.40
Of the above			
(1) 25,000 Equity Shares are allotted as fully paid-up pursuant to a contract without payment being received in cash			
(2) 35,44,199 Equity Shares are allotted as fully paid-up by way of Bonus Shares by Capitalisation of Share Premium & General Reserve			
(3) 66,98,325 Equity Shares are held by Bilcare Research GmbH, the holding company (Previously held by Ineos Films GmbH)		1313.40	1313.40
SCHEDULE "B"			
RESERVES AND SURPLUS			
CAPITAL RESERVE :		21.20	21.20
REVALUATION RESERVE : (See Note 5)			
Opening balance	100.00		112.00
Less: Transfer to Profit and Loss Account	12.00		12.00
		88.00	100.00
SECURITIES PREMIUM ACCOUNT :		6497.27	6497.27
GENERAL RESERVE:			
Opening balance	180.00		125.00
Add: Transfer from Profit and Loss Account	50.00		55.00
		230.00	180.00
SURPLUS:			
As per Profit and Loss Account		1581.51	1118.57
		8417.98	7917.04
SCHEDULE "C"			
DEFERRED TAX (Net)			
Deferred tax (See Note 12)		103.00	84.00
		103.00	84.00

Schedules attached to and forming part of the Balance Sheet as at 31st March,2011

SCHEDULE “E”

CURRENT ASSETS:

(A) Inventories: As valued and certified by the Management

(At lower of cost or net realisable value)

	Rs in lakhs	As at 31st March,2011 Rs in lakhs	As at 31st March,2010 Rs in lakhs
i) Raw Materials	1636.49		1074.02
ii) Finished Goods	741.67		625.09
iii) Work-in-progress	191.22		184.90
iv) Stores	102.71		86.28
v) Goods-in-Transit	347.73		167.51
vi) Scrap	51.33		17.96
		3071.15	2155.76

(B) Sundry Debtors - Unsecured

Outstanding for a period exceeding six months:

Others

Less: Debts considered doubtful and provided for

Balance - Considered good

(C) Cash and Bank Balances

i) Cash in Hand

ii) Balances with Scheduled Banks

In Current Account

In Deposit Account

iii) Remittances in Transit

Schedules attached to and forming part of the Balance Sheet as at 31st March,2011

SCHEDULE “F”

LOANS AND ADVANCES

(Unsecured Considered Good unless otherwise specified)

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

Amounts receivable

Balances with Excise

Receivable in respect of non-core activities (Net) (See Note 6)

Advance Income tax (Net)

	As at 31st March, 2011 Rs in lakhs	As at 31st March,2010 Rs in lakhs
	213.33	190.29
	86.54	6.48
	105.83	76.96
	245.74	245.74
	224.96	21.90
	876.40	541.37
SCHEDULE “G”		
CURRENT LIABILITIES AND PROVISIONS:		
(A) Current Liabilities:		
Sundry Creditors - Others	2495.08	2429.31
Micro,Small & Medium enterprises (See Note 7)	-	-
Advances received for value to be given	58.22	87.10
Investor Education and Protection Fund shall be credited by the following amounts:		
- Unclaimed/Unpaid dividend	9.55	6.09
Deposits from Customers and others	51.03	50.74
Due to Trustees of Gratuity Fund	14.72	32.86
	2628.60	2606.10
(B) Provisions:		
Provision for Unencashed Leave	176.82	175.80
Proposed dividend	197.01	328.35
Tax on dividend	31.96	54.53
	405.79	558.68
	3034.39	3164.78

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March,2011

	Rs in lakhs	For the year ended 31st March,2011 Rs in lakhs	For the year ended 31st March,2010 Rs in lakhs
SCHEDULE "1"			
INCREASE/(DECREASE) IN FINISHED GOODS, WORK-IN-PROGRESS & SCRAP			
Stock at Close:			
Finished Goods	741.67		625.09
Work-in-Progress	191.22		184.90
Scrap	51.33		17.96
		984.22	827.95
Stock at Commencement:			
Finished Goods	625.09		613.99
Work-in-Progress	184.90		158.37
Scrap	17.96		32.82
		827.95	805.18
		156.27	22.77
SCHEDULE "2"			
OTHER INCOME:			
Miscellaneous Income		130.12	125.11
Provisions no longer required		46.79	-
Insurance Claims		2.14	1.06
Rent		12.69	11.87
Interest from Banks and others (Tax deducted at source Rs.10.60 lakhs Previous Year Rs. 23.42 lakhs)		113.85	221.31
Profit on Fixed Assets sold/scrapped(Net)		35.59	19.17
Provision for doubtful debts written back		17.68	-
		358.86	378.52

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March,2011

	For the year ended 31st March,2011 Rs in lakhs	For the year ended 31st March,2010 Rs in lakhs
SCHEDULE “3”		
MATERIALS :		
Raw Materials consumed	13022.95	10967.85
Stores and Spares consumed	153.53	148.63
	13176.48	11116.48
SCHEDULE “4”		
EXPENSES :		
Salaries, Wages and Bonus	1134.96	1101.76
Contribution to Provident & Other Funds	78.47	74.06
Staff Welfare	76.82	74.61
Processing/Fabrication Charges	165.74	137.75
Power, Fuel and Water Charges	1372.38	1170.82
Rent	28.74	28.10
Rates and Taxes	4.84	6.67
Insurance	14.61	14.95
Repairs to Plant and Machinery	45.63	48.04
Repairs to Building	1.03	7.41
Packing Materials, Forwarding etc.	1108.23	922.70
Directors’ Remuneration	50.11	42.04
Commission on Sales	168.63	181.36
Miscellaneous Expenses	328.13	372.51
Bad debts written off	5.02	58.43
Provision for Doubtful Debts	-	9.01
	4583.34	4250.22

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2011
SCHEDULE "5"

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

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

Sr No.	I T E M	Licensed Capacity M.T. Per Annum	Installed Capacity Per Annum (c) Kgs	Actual Production (c) Kgs.	OPENING STOCK		PURCHASE		CLOSING STOCK		SALES		Value Rs.	
					Qty. Kgs	Value Rs.	Qty. Kgs	Value Rs.	Qty. Kgs	Value Rs.	Qty. Kgs	Nos.		Sq.Mtrs
1	Rigid & Flexible PVC Sheet	21720 (a)	24360	17938	839	56543	-	-	817	64406	15153	267	9264	1915976
		(21720)	(24360)	(16774)	(851)	(55985)	(-)	(-)	(839)	(56543)	(14496)	(13)	(8180)	(1670395)
2	Plastic Extruded Sheets & Films	420 (b)	- (c)	8	33	869			12	319	17	-	7	1756
		(420)	(420) (b)	(51)	(52)	(2432)			(33)	(869)	(28)	(1)	(24)	(7268)
3	Hollow Plastic Corrugated Boards	1050	1050	810	64	5097			97	9442	2	74	1460	92557
		(1050)	(1050)	(792)	(47)	(2982)			(64)	(5097)	(115)	(-)	(1289)	(82931)
4	Sundry / Scrap sales													22450
														(17774)
														2032739
														(1778368)
														TOTAL

NOTES :

- (a) Includes 20400 (20400) M.T. per annum exempted from the licensing provisions.
- (b) Single Shift basis.
- (c) As certified by Works Manager
- (d) Figures in brackets denote figures for previous year.
- (e) Machinery sold during the year

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2011

SCHEDULE "5" (Contd.)

	For the year ended 31 st March , 2011		For the year ended 31 st March , 2010	
	Quantity	Value	Quantity	Value
	M.T.	Rs in lakhs	M.T.	Rs in lakhs
(B) RAW MATERIALS CONSUMED				
Resins	15800	9137.81	14805	7442.63
Plasticizers	1315	1143.43	1178	747.32
Polypropylene	867	698.78	793	554.39
Others		2042.93		2223.51
		13022.95		10967.85
(C) BREAK UP OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED	Value	Percentage	Value	Percentage
	Rs in lakhs	to total	Rs in lakhs	to total
		Consumption		Consumption
Raw Materials-Imported	4224.21	32.44	3634.03	33.13
Raw Materials-Indigenous	8798.74	67.56	7333.82	66.87
	13022.95	100.00	10967.85	100.00
Spares Parts - Imported	33.10	21.56	9.44	6.35
Spares Parts - Indigenous	120.43	78.44	139.19	93.65
	153.53	100.00	148.63	100.00
(D) VALUE OF IMPORTS ON C.I.F.BASIS				
Raw Materials		3849.13		3286.06
Spares		24.56		5.77
Capital Goods		30.46		5.05
(E) EXPENDITURE IN FOREIGN CURRENCY :				
Travelling Expenses		3.31		8.59
Commission		50.59		63.26
Others		2.77		2.46
(F) EARNINGS IN FOREIGN EXCHANGE				
Export of Goods on F.O.B.Basis		2349.48		2344.57
Export of marketing services		50.38		51.89
(G) AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND				
(a) No. of Shareholders		1		1
(b) No. of shares held		6698325		6698325
(c) Amount remitted		167.46		100.47
(d) Year to which dividend relates		2009-2010		2008-2009

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date

	Year ended/ as on 31st March,2011 Rs in lakhs	Year ended/ as on 31st March,2010 Rs in lakhs
SCHEDULE "6"		
NOTES ON ACCOUNTS :		
1. Miscellaneous Income (Schedule 2) include: - Foreign exchange gains/(loss) (net)	42.68	38.51
2. 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
3. Contingent Liabilities:		
(a) (i) Demands of Excise authorities which are disputed in appeals by the Company	453.06	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	251.19
(iii) Other excise demands pending adjudication	283.14	154.71
(b) Demands of Income tax authorities which are disputed in appeals by the Company and not provided for	-	2326.72
(c) Claims against the Company not acknowledged as debts - estimated	331.97	323.92
4. 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.		
5. During the year ended 31st December, 1997 the Company revalued its Head Office premises resulting in net increase in value of buildings by Rs.448.50 lakhs which was credited to Revaluation Reserve. On a review of the value of the premises on current basis and based on a valuation report, the Company wrote down the revalued amount by Rs 160 lakhs (net) during the period ended 31st March, 2004.		
Depreciation in respect of the said premises has been computed on the adjusted value after taking into consideration its revised balance life as per the Valuation Report. Proportionate depreciation on revaluation amounting to Rs.12 lakhs (Previous year Rs 12 lakhs) has been transferred to the Profit and Loss Account from the Revaluation Reserve		
6. 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.		

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date

7. None of the Suppliers/Service providers have intimated their registration under Micro, Small and Medium Enterprises Development Act, 2006 to the Company. In view of this, information required to be disclosed under Section 22 of the said Act is not given.
8. 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.
9. Related Party Disclosure as per AS 18:
- (i) List of Related Parties :
- (a) Enterprise where control exists
- Holding Company: Upto 31st August, 2010
- INEOS Films GmbH
 - INEOS Films Deutschland GmbH
 - INEOS Films Deutschland GmbH & Co .KG
 - INEOS Films Limited
 - INEOS Vinyls Limited
 - INEOS Vinyls Holdings Limited
 - Hawkslease Finance Company Limited
 - INEOS Vinyls Group Limited
 - INEOS Holdings Limited
 - INEOS Group Holdings Plc
 - INEOS Intermediate Holdings Limited
 - INEOS Investment Holdings Limited
 - INEOS Group Limited
- Holding Company: After 31st August, 2010
- Bilcare Research GmbH
 - Bilcare Germany Management GmbH & Co. KG
 - Bilcare Germany Management GmbH
 - Films Germany Holding GmbH
 - Bilcare AG
 - Bilcare Mauritius Ltd
 - Bilcare Ltd
- (b) Related parties with whom the Company had transactions including Fellow subsidiaries
- INEOS Films GmbH
 - INEOS Films Limited
 - INEOS Films Staufen GmbH
 - INEOS Vinyls Sales GmbH
 - INEOS Melamines
 - Bilcare Research GmbH
 - Bilcare Research S R L
 - Bilcare Ltd
- (c) Indian Promoters: Mr Mofatraj P Munot Director and Mr Shivkumar Dalmia, their relatives and their associate companies.

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date

	Year ended/ as on 31st March,2011 Rs in lakh	Year ended/ as on 31st March,2010 Rs in lakh
(h) Interest Income - Indian Promoters		
– Kalpataru Limited	14.70	14.70
(i) Sundry Creditors as at year end		
– Bilcare Research GmbH *	20.88	-
– Bilcare Ltd *	0.76	-
– INEOS Melamines	4.13	
– INEOS Films Limited *	-	23.65
(j) Sundry Debtors as at year end		
– Bilcare Ltd *	12.61	-
* Enterprise where control exists/existed during the year		
10. Disclosure of Leases as per AS 19:		
The Company has various operating leases for offices, godowns and residential premises for employees that are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases recognised in the Profit and Loss account for the year is Rs 28.74 lakhs (Previous year Rs 28.10 lakhs). Company does not have any non - cancellable operating leases as on date.		
11 Earning per Share as per AS 20:		
(i) Net Profit available for equity shareholders	741.91	502.25
(ii) No. of equity shares	13133971	13133971
(iii) Basic & Diluted Earning per share(Face value of Rs 10 each) In Rs	5.65	3.82
12 Accounting for Taxes on Income as per AS 22:		
Deferred tax assets/liability(-) is as under:		
(i) Difference between book and tax depreciation	(285.37)	(316.05)
(ii) Deduction allowable on payment basis under the Income Tax Act.	122.07	164.32
(iii) Provision for doubtful debts	60.30	67.73
Total	(103.00)	(84.00)

13 Details of movement in provision in accordance with AS 29:

	Opening balance Rs in lakhs	Provision for the year Rs in lakhs	Provision reversed/ paid/adjusted Rs in lakhs	Closing balance Rs in lakhs
Proposed dividend	328.35	197.01	328.35	197.01
Tax on dividend	54.53	31.96	54.53	31.96
Provision for doubtful debts	199.26	30.39	48.07	181.58
Others	77.95	-	23.91	54.04

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

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date

	Year ended/ as on 31st March, 2011 Rs in lakh	Year ended/ as on 31st March, 2010 Rs in lakh	Year ended/ as on 31st March, 2011 Rs in lakh	Year ended/ as on 31st March, 2010 Rs in lakh
14 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			55.77	53.46
(ii) Employer's contribution to Superannuation Fund			10.60	10.48
(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:				
	Gratuity	Gratuity	Leave encashment	Leave encashment
(a) Reconciliation of opening and closing balances of obligation				
Present value of obligation as at the beginning of the year	367.97	288.76	175.80	136.82
Interest cost	28.45	22.67	13.12	10.02
Current service cost	19.48	22.67	13.71	15.81
Benefits paid	(24.65)	(10.81)	(23.56)	(23.09)
Actuarial (gain)/loss on obligation	(6.96)	44.68	(2.25)	36.24
Present value of obligation as at the end of the year	384.29	367.97	176.82	175.80
(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	335.35	251.98	-	-
Expected return on plan assets	28.20	24.29	-	-
Contribution	32.86	36.78	-	-
Benefits paid	(24.65)	(10.81)	-	-
Actuarial gain/(loss) on plan assets	(2.19)	33.11	-	-
Fair value of plan assets as at the end of the year	369.57	335.35	-	-
(c) Reconciliation of fair value of assets and obligation				
Present value of obligation as at the end of the year	384.29	367.97	176.82	175.80
Fair value of Plan assets as at the end of the year	(369.57)	(335.35)	-	-
Amount recognised in the Balance sheet	14.72	32.62	176.82	175.80
(d) Expense recognised during the year				
Current service cost	19.48	22.67	13.71	15.81
Interest cost	28.45	22.67	13.12	10.02
Expected return on plan assets	(28.20)	(24.29)	-	-
Actuarial (gain)/loss	(5.01)	11.57	(2.25)	36.24
Service cost net of contribution	-	-	-	-
Expenses recognised during the year	14.72	32.62	24.58	62.07
(e) Actuarial assumptions (per annum)				
Discount rate	8%	8%	8%	8%
Expected return on plan assets	8%	8%	-	-
Salary escalation	8%	8%	8%	8%

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date

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

I. Registration details:	
Company Identification No.	L29150MH1946PLC004877
State Code	11
Balance Sheet Date	31-03-2011
II Capital raised during the year:	(Amount in Rs. Thousands)
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
III. Position of Mobilisation and Deployment of Funds:	(Amount in Rs. Thousands)
Total Liabilities	983438
Total Assets	983438
Sources of Funds:	
Paid-up Capital	131340
Reserves & Surplus	841798
Secured Loans	0
Unsecured Loans	0
Deferred Tax	10300
Application of Funds:	
Net Fixed Assets	239320
Investments	0
Net Current Assets	744118
Miscellaneous Expenditure	0
Accumulated Losses	0
IV. Performance of Company:	(Amount in Rs. Thousands)
Turnover	2032739
Total Expenditure	1919548
Profit Before Tax	113191
Profit After Tax	74191
Earning Per Share (In Rs)	5.65
Dividend Rate (In %)	15.00%
V. Generic Names of Three Principal Products/Services of Company	
(As per Monetary terms)	
Item Code Nos.(ITC Code)	Product Description
(i) 392041.00	PVC Films & Sheeting - Rigid
(ii) 392042.00	PVC Films & Sheeting - Flexible
(iii) 391690.27	Polypropylene Boards

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date

16 SIGNIFICANT ACCOUNTING POLICIES:

- (a) **System of Accounting:**
The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, mandatory Accounting Standards notified by the Companies (Accounting Standards) rule, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The management has made certain estimates and assumptions in conformity with the GAAP in the preparation of these financial statements. The difference between actual results and estimates are recognised in the period in which the results are known.
- (b) **Fixed assets:**
Fixed assets are stated at cost of acquisition or construction except head office building which is stated at its revalued amount. All cost including financing costs if any, till commencement of commercial production are capitalised. In respect of assets acquired under lease, lease rentals paid are charged to the Profit and Loss Account. Assets under disposal are stated at lower of cost or net realisable value. Intangible assets 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.
- (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.

17 Previous years figures have been regrouped/recast wherever necessary

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

MOFATRAJ P MUNOT
R. BALASUBRAMANIAN

Chairman
Managing Director

MURTUZA VAJIHI
Partner

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

RAKESH KHANNA
RAHUL G DIVAN
DHAVAL K VUSSONJI

} *Directors*

Mumbai
Dated : 26th May, 2011

Cash Flow Statement for the year ended 31st March, 2011

	For the year ended 31st March,2011 Rs in lakhs	For the year ended 31st March,2010 Rs in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	1131.91	1304.25
Adjustments for:		
Depreciation/Amortisation (Net)	354.18	371.73
Loss/(Profit) on Fixed Assets sold/scrapped(net)	(35.59)	(19.17)
Interest	0.41	0.41
Operating Profit before working capital changes	1450.91	1657.22
Changes in :		
Trade & other receivables	(937.12)	(356.43)
Inventories	(915.39)	224.85
Trade Payables	23.52	(469.72)
B. CASH GENERATED FROM OPERATIONS	(378.08)	1055.92
Interest	(0.41)	(0.41)
Direct taxes	(371.00)	(775.00)
NET CASH FROM OPERATING ACTIVITIES (A)	(749.49)	280.51
C. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(105.21)	(124.01)
Sale of Fixed assets	40.77	122.14
NET CASH USED IN INVESTING ACTIVITIES (B)	(64.44)	(1.87)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share capital	0.00	0.00
Dividend paid	(382.88)	(230.49)
NET CASH USED IN FINANCING ACTIVITIES (C)	(382.88)	(230.49)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	(1196.81)	48.15
CASH & CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	2375.67	2327.52
CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR	1178.86	2375.67
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(1196.81)	48.15

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

MURTUZA VAJIHI
Partner

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

MOFATRAJ P MUNOT
R. BALASUBRAMANIAN

RAKESH KHANNA
RAHUL G DIVAN
DHAVAL K VUSSONJI

Chairman
Managing Director

Directors

Mumbai
Dated : 26th May, 2011

Our Products and their Uses

1. SUNBLIS:

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

2. SUNDENE:

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

3. SUNVIC:

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

4. SUNFLEX:

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

Uses: Tablecovers, rain coats, windsheaters, marine jackets, 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:

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

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 65th 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 Tuesday, the 27th September, 2011.

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

of or failing him

of as my/our proxy to vote for me/us and

on my/our behalf at the 65th Annual General Meeting of the Company to be held on Tuesday, the 27th September, 2011 at

4.00 p.m. or any adjournment or adjournments thereof.

As witness my/our hand(s) this day of 2011.

Affix a
1 Rupee
Revenue
Stamp

Signed by the said

* 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.



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

26th May, 2011

Dear Shareholder,

Sub: Request for E-Mail ID

The Ministry of Corporate Affairs (MCA) has taken the "Green Initiative in Corporate Governance" (Circular No 17/2011 dated April 21, 2011 and Circular No 18/2011 dated April 29, 2011) permitting Companies to send various notices and documents, including annual report to its shareholders through electronic mode to the registered e-mail address of shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to continue towards a Greener Environment. This is a golden opportunity to every shareholder of Caprihans to contribute to the Corporate Social Responsibility initiative of the Company.

Please also note that as a member of the Company you will be entitled to receive all such communication in physical form, upon receipt of a requisition from you at any time. Such a requisition may be sent to the registered office of the Company at the address given above.

Members who have not registered their e-mail address so far are requested to register their e-mail addresses. Members holding shares in demat form can register their e-mail address with their concerned DPs. Members who hold shares in physical form are requested to register their e-mail addresses with Link Intime India Pvt Ltd, by sending a letter, duly signed by the first/sole holder to the following address, quoting details of Folio No., and e-mail address.

Link Intime India Pvt Ltd
Unit: CAPRIHANS INDIA LIMITED
C-13, Pannalal Silk Mills Compound
LBS Marg,
Bhandup (West)
Mumbai – 400078.

Thanking you
For CAPRIHANS INDIA LIMITED

K R VISWANATHAN
Vice President (Finance) & Company Secretary

BOOK POST

If not delivered, please return to:

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