



caprihans
INDIA LIMITED

6 2 n d A N N U A L R E P O R T 2 0 0 7 - 2 0 0 8

INEOS Films
A member of the INEOS Films Group

DIRECTORS

M.P. MUNOT	Chairman
R. BALASUBRAMANIAN	Managing Director
D. THOMPSON	(Alternate: D.K. WADIA)
S.J. REYNOLDS	
S.A. GANDHI	
S.K. DALMIA	
R.K. KULKARNI	
S.B. ZAVERI	
D.N. MUNGALE	

SECRETARY

K.R. VISWANATHAN

BANKERS

BANK OF MAHARASHTRA
HDFC BANK LTD
STATE BANK OF INDIA

AUDITORS

M.P. CHITALE & CO.,
Chartered Accountants

REGISTERED OFFICE

BLOCK-D, SHIVSAGAR ESTATE,
DR. ANNIE BESANT ROAD,
WORLI, MUMBAI 400 018.
Tel.: 4000 1800, 4000 1818
Web: www.caprihansindia.com

FACTORIES

PLOT NOS. C-13/16, ROAD NO. 16/T, WAGLE INDUSTRIAL ESTATE, THANE 400 604.
PLOT NOS. 76/77 MIDC INDUSTRIAL ESTATE, TRIMBAK ROAD, SATPUR, NASIK 422 007.

Notice of Annual General Meeting

NOTICE is hereby given that the Sixty-second Annual General Meeting of the Shareholders of **CAPRIHANS INDIA LIMITED** will be held on **FRIDAY, the 5TH SEPTEMBER, 2008** at 3.00 p.m. at the **JAI HIND COLLEGE AUDITORIUM**, Jai Hind College Building, A Road, Churchgate, Mumbai - 400 020, to transact the following business:

1. To consider and adopt the Balance Sheet as at 31st March, 2008 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. M.P. Munot who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. S.A. Gandhi who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. D.N. Mungale who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. Messrs. M.P. Chitale & Company, Chartered Accountants, the retiring Auditors are eligible for re-appointment.

By Order of the Board of Directors

K.R. VISWANATHAN
Secretary

Registered Office:

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

Dated: 30th May, 2008.

NOTES:

- (a) Pursuant to Clause 49 of the Listing Agreement, the relevant details in respect of Item Nos. 3, 4, and 5 is annexed herewith (Annexure I).
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (c) Proxies in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (d) The Register of Members and Share Transfer Books of the Company will be closed from FRIDAY, 22ND AUGUST, 2008 to FRIDAY, 5TH SEPTEMBER, 2008 (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 5th September, 2008.
- (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, 2007 are requested to send their claims directly to the Company or to Intime Spectrum Registry Ltd, the Company's Registrars and Transfer Agents (the R & T Agents).
- (g) The equity shares of the Company are available for trading in dematerialised form (scrip less trading in electronic form) through Depository Participants. The ISIN code is INE 479A01018.
- (h) Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the R & T Agents in respect of their holdings in physical form.
- (i) Members holding shares in demat form may please note that the Company will be mandatorily printing on the dividend warrants, the Members' bank account details as furnished by their respective DPs. The Company will not entertain any direct request from such Members for deletion of / change in their bank account details. Further, instructions given by Members for shares held in physical mode would not be automatically applicable to dividend paid on shares held in demat form.

- (j) In respect of Members who have given mandate for payment of dividend through Electronic Clearing Services (ECS), the dividend will be paid through ECS.
- (k) Shareholders are requested to bring their copy of the Annual Report to the meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing.

Annexure (I) to the Notice dated 30th May, 2008

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

Name of the Director	Mr. M.P. Munot	Mr. S.A.Gandhi	Mr. D.N. Mungale
Date of Birth	4th October, 1944	25th September,1950	1st June, 1953
Date of first appointment	28th May, 1986	1st August, 1983	2nd August, 2002
Qualifications	Higher Secondary	Chartered Accountant	B.Com., LL.B., ACA.
Expertise in specific functional areas and experience	Mr. Munot, Chairman of the Company became a Director in 1986 and was Managing Director from 1992 to 1997. An eminent industrialist with 42 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. Gandhi became a Director in 1983 and was Managing/ Jt. Managing Director from 1984-1997. Mr. Gandhi has vast experience and knowledge in the field of plastics and real estate. He is an active member of various committees related to plastic industry.	Mr. Mungale is a Chartered Accountant having an experience of 32 years in financial services and investment banking.
Directorships held in other Companies (Excluding Private Companies)	Kalpataru Ltd. Rajratan Global Wire Ltd. Kalpataru Power Transmission Ltd.	Nil	Chowgule Steamships Ltd. Camlin Ltd. Indoco Remedies Ltd. L I C Housing Finance Ltd. Mahindra & Mahindra Financial Services Ltd. Sical Logistics Ltd. Tamilnadu Petroproducts Ltd. National Organic Chemical Ltd.
Committee positions held in other companies	Audit Committee Kalpataru Power Transmission Ltd. - Member	Nil	Audit Committee Indoco Remedies Ltd. - Chairman Camlin Ltd. - Chairman Sical Logistics Ltd. - Chairman Chowgule Steamships Ltd. - Chairman L I C Housing Finance Ltd. - Member National Organic Chemical Ltd. - Member Mahindra & Mahindra Financial Services Ltd. - Member Tamilnadu Petroproducts Ltd. - Member Shareholders/Investor Grievance Committee Sical Logistics Ltd. - Chairman L I C Housing Finance Ltd. - Member Mahindra & Mahindra Financial Services Ltd. - Member

By Order of the Board of Directors

K.R. VISWANATHAN
Secretary

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

Dated: 30th May, 2008.

Directors' Report

To THE MEMBERS

Your Directors presents their Sixty-second Annual Report on the business and operations of the Company together with the audited accounts for the year ended 31st March, 2008.

1. FINANCIAL RESULTS:

	Year ended 31st March, 2008	Year ended 31st March, 2007
	(Rs. in Lakhs)	
Profit before extraordinary items, interest, depreciation and provision for tax	708.38	1121.37
Extraordinary Income/(Expenses)	–	197.03
Interest	0.31	0.32
Depreciation	406.27	289.67
Profit before tax	301.80	1028.41
Provision for tax		
— Current Tax	140.00	310.00
— Fringe benefit tax	13.00	16.00
— Deferred Tax	(31.00)	27.00
Profit after tax	179.80	675.41
Balance from last year	948.62	476.88
	1128.42	1152.29
Appropriations:		
Proposed Dividend	131.34	131.34
Corporate Tax on Dividend	22.33	22.33
Transfer to General Reserve	–	50.00
Carried forward to Balance Sheet	974.75	948.62
	1128.42	1152.29

2. DIVIDEND:

The Directors are pleased to recommend payment of dividend @ 10% on the Equity Share Capital for the year ended 31st March, 2008.

3. PERFORMANCE:

The Company's turnover for the year amounted to Rs. 141 crores as compared to Rs. 142 crores in the previous year. The Company earned a profit (before extraordinary items and tax) of Rs. 302 lakhs as compared to Rs. 831 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, 2008 and of the Profit of the Company for the year ended 31st March, 2008.

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

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

5. DIRECTORS:

Mr. M.P. Munot, Mr. S.A. Gandhi and Mr. D.N. Mungale retire by rotation and being eligible, offer themselves for re-appointment.

The Board of Directors at its Meeting held on 27th July, 2007 re-appointed Mr. R.Balasubramanian as the Managing Director for a further period of five years with effective from 29th April, 2008, which was duly approved by the shareholders at the 61st Annual General meeting of the Company held on 26th September, 2007.

6. CONSERVATION OF ENERGY:

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

7. INDUSTRIAL RELATIONS:

The industrial relations remained cordial during the year.

8. CORPORATE GOVERNANCE:

In terms of Clause 49 of the Listing Agreement, a report on the Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance and Management Discussion and Analysis Report are given in Annexure III and IV respectively, to this report.

9. AUDITORS:

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

10. PARTICULARS OF EMPLOYEES:

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

11. ACKNOWLEDGMENT:

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 : 30th May, 2008

M.P. MUNOT
Chairman

Annexure I to the Directors' Report

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures : 1. Optimum usage of steam and reduction of wastage.
2. Maintaining the improved power factor.
- (b) Impact of measures at (a) above for reduction of energy consumption and the consequent cost impact on the 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) Development of High Impact film.
 - (c) Submersible High elastic insulation tape mainly used under water in Submarines.
 - (d) Improved better and timely technical services to the customers.
 - (e) Development of Triplex film.
 - (f) Upgradation of R&D Labs and quality inspection systems in the plant resulted in better quality products.
2. Benefits derived as a result of the above R&D :
- (a) Reduction in customer complaints.
 - (b) Saving in raw material cost.
 - (c) Improvement in film characteristics for visual packaging.
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, 2008	Year ended 31st March, 2007
	(Rs. in Lakhs)	
(a) Capital	20.50	12.10
(b) Recurring	19.00	23.30
(c) Total	39.50	35.40
(d) Total R&D Expenditure as a percentage of total turnover	0.28	0.25



Technology Absorption, Adaptation and Innovation:

1. Efforts in brief, made towards technology adaptation and innovation. : Establishing ISO 9001 and Q 9001-2000, bringing higher quality situation in all production lines which is in agreement with customer's requirements especially in the area of GMP.
2. Benefits derived as a result of the above efforts : The result out of the improvements are better quality and higher line efficiency. Also a reduction in the areas of raw material cost and energy cost.
3. In case of imported technology following information may be furnished:
 - (a) Technology imported : Technical information relating to manufacture and quality control of PVC film.
 - (b) Year of Import : 1997
 - (c) Has technology been fully absorbed : Yes.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to Exports : The exports during the year amounted to Rs. 1105 lakhs.
2. Total foreign exchange
 - (a) Used
 - (i) CIF Value of Imports – Rs. 2273 lakhs
 - (ii) Expenditure in foreign currency – Rs. 14 lakhs
(For details refer Schedule 5 to the Profit and Loss Account)
 - (b) Earned : FOB value of exports – Rs. 1105 lakhs

Annexure II to the Directors' Report

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

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

EMPLOYED THROUGHOUT THE YEAR:

(1) R. BALASUBRAMANIAN (a) 56 (b) Managing Director (c) 47,75,877 (d) 32 (e) B.Com., A.I.C.W.A., A.C.A., A.C.S. (f) 23/11/83 (g) W. G. Forge & Allied Industries Ltd. – Chief Accountant

Notes:

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

Annexure III to the Directors' Report – Corporate Governance

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability across all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

2. Board of Directors

(a) Composition

The total number of Directors is nine and the composition of the Board is as follows:

Name and Designation of the Director	Category	No. of Directorships and Committee Membership/Chairmanship (other than Caprihans India Limited)		
		Other Directorships	Committee Membership	Committee Chairmanship
Mr. M.P. Munot (Chairman)	Promoter Non-Executive	3	1	–
Mr. S.K. Dalmia	Promoter Non-Executive	2	–	–
Mr. S.A. Gandhi	Promoter Non-Executive	–	–	–
Mr. R. Balasubramanian (Managing Director)	Executive	–	–	–
Mr. D. Thompson	Promoter Non-Executive	–	–	–
Mr. S.J. Reynolds	Promoter Non-Executive	–	–	–
Mr. R.K. Kulkarni	Independent Non-Executive	6	4	1
Mr. S. B. Zaveri	Independent Non-Executive	2	–	–
Mr. D.N. Mungale	Independent Non-Executive	8	6	5
Alternate Director Ms. D.K. Wadia	Independent	–	–	–

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

Out of nine Directors, three are independent which are in line with the requirements of the Listing Agreement relating to the composition of the Board.

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

Mr. M.P. Munot, Mr. S.A. Gandhi and Mr. D.N. Mungale retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The information prescribed under the Listing Agreement to be sent to the shareholders are stated in the Notice.

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

During the year ended 31st March, 2008 six Board Meetings were held on 27/04/2007, 01/06/2007, 27/07/2007, 26/09/2007, 29/10/2007 and 28/01/2008.

Attendance at Board Meetings and at last Annual General Meeting (AGM) held on 26th September, 2007:

Name of the Director	No. of Board Meetings attended	Attendance at last AGM
Mr. M.P. Munot	3	Yes
Mr. S.K. Dalmia	–	–
Mr. S.A. Gandhi	4	Yes
Mr. R. Balasubramanian	6	Yes
Mr. R.K. Kulkarni	5	– (*)
Mr. D. Thompson	2	Yes
Mr. S.J. Reynolds	3	Yes
Mr. S.B. Zaveri	5	–
Mr. D.N. Mungale	3	Yes
Alternate Director		
Ms. D.K. Wadia	1	–

(*) Mr. R.K. Kulkarni, Chairman of the Audit Committee, could not attend the AGM of the Company held on 26th September, 2007, as he was out of India on an urgent business commitment.

Share holding of Non-Executive Directors as on 31/03/2008 is as under:

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

3. Committees of the Board

A. Audit Committee:

During the year ended 31st March, 2008 five Audit Committee Meetings were held on 27/04/2007, 01/06/2007, 27/07/2007, 29/10/2007 and 28/01/2008. The details of the Committee are as under:

Name of the Director	Designation	Category	No. of meetings attended
Mr. R.K. Kulkarni	Chairman	Independent Non-Executive	5
Mr. D. Thompson	Member	Promoter Non-Executive	1
Mr. S.B. Zaveri	Member	Independent Non-Executive	5

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

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

B. Remuneration Committee:

During the year ended 31st March, 2008 two meetings were held on 01/06/2007 and 27/07/2007. The details of the Committee are as under:

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

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

Remuneration to Directors

The details of remuneration paid to Mr. R. Balasubramanian, Managing Director for the period 01/04/2007 to 31/03/2008 is as under:

(i) Gross Salary including taxable perquisites	: Rs. 39.30 lakhs
(ii) Company's contribution to Provident & Other Funds	: Rs. 8.31 lakhs
Total	: Rs. 47.61 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 01/04/2007 to 31/03/2008 are given below:

Name	Sitting Fees for attending Board Meeting & Committee Meeting Rs.
Mr. M.P. Munot	3000
Mr. S.K. Dalmia	NIL
Mr. D. Thompson	NIL
Mr. S.J. Reynolds	NIL
Mr. S.A. Gandhi	4000
Mr. R.K. Kulkarni	13000
Mr. S.B. Zaveri	13000
Mr. D.N. Mungale	4000
Ms. D.K. Wadia (Alternate)	1000

C. Shareholders/Investors Grievance Committee:

During the year ended 31st March, 2008 one meeting was held on 28/01/2008. The details of the Committee are as under:

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

The Committee oversees redressal of shareholders and Investor grievances/complaints. Mr. P.N. Srinivasan, Asst. Secretary is the Compliance Officer of the Company.

The Company is prompt in attending to complaints/queries from Shareholders/Investors. The total number of complaints received and attended during the period 01/04/2007 to 31/03/2008 are 16. The number of complaints received from SEBI is nil. No transfers were pending as on 31st March, 2008.

General Body Meetings

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

Financial Year ended	Venue	Day and Date	Time
31-03-2007	Jai Hind College, Mumbai - 400 020	Wednesday, 26th September 2007	3 p.m.
31-03-2006	Jai Hind College, Mumbai - 400 020	Thursday, 28th September 2006	3 p.m.
31-03-2005	Jai Hind College, Mumbai - 400 020	Wednesday, 28th September 2005	3 p.m.
Year ended 31-03-2007		– Special Resolution for re-appointment and Payment of Remuneration to Managing Director effective 29th April, 2008	
Year ended 31-03-2006		– No Special Resolutions were passed	
Year ended 31-03-2005		– Special Resolution for payment of remuneration to Managing Director for two years w.e.f. 29/04/2006 to 28/04/2008	

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

4. Disclosures

- Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:

The Company has an agreement with Kalpataru Ltd (KL) (formerly known as Kalpataru Homes Limited) whereby KL has underwritten the amount to be realized by the Company from the disposal of its non-core assets. Mr. M.P. Munot is a Director of KL. The performance of KL by this agreement has been guaranteed amongst others by Mr. M.P. Munot, Mr. S.A. Gandhi and Klassik Garments Private Limited in which Mr. S.K. Dalmia is a Director. Any enforcement action that the Company might be required to adopt in respect of the aforesaid agreement or the performance guarantee will potentially result in a conflict of interest between the Company and Mr. M.P. Munot, Mr. S.A. Gandhi and Mr. S.K. Dalmia who are the Directors of the Company.

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

5. Means of Communication

Half-yearly report sent to each household of shareholders	:	No, the results of the Company are published in Newspapers.
Quarterly results	:	– do –
Any website, where displayed	:	Yes on Company's website 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 apart of Annual Report or not	:	Yes, forms part of the Directors' Report.

6. General Shareholder Information

Annual General Meeting

– Date and Time	:	Friday, 5th September, 2008 at 3 p.m.
– Venue	:	Jai Hind College Auditorium, Jai Hind College Building, A Road, Churchgate, Mumbai - 400 020.

Financial calendar

:	(a) 1st April to 31st March
:	(b) First quarter results by end July 2008
:	(c) Second quarter results by end October 2008
:	(d) Third quarter results by end January 2009
:	(e) Results for the year ending 31st March, 2009 by end June, 2009.

Date of Book Closure

:	Friday, 22nd August, 2008 to Friday 5th September, 2008 (both days inclusive).
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Dividend payment Date

:	On or after 5th September, 2008
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Listing on Stock Exchanges

:	– Bombay Stock Exchange Ltd
:	– Delhi Stock Exchange Ltd.

The Company has paid the listing fees for the year 2008-2009 to both the Stock Exchanges.

Stock Code

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

Market Price Data : High/Low during each month in the last 12 months (i.e. from 01/04/2007 to 31/03/2008) and performance in comparison to broad based indices such as BSE Sensex.

Paid up value - Rs. 10/- per Share

Month	Share Price of Caprihans India Ltd.		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
2007 – Apr	125.15	67.10	14383	12425
May	132.00	109.00	14567	13554
Jun	126.60	108.75	14683	13946
Jul	132.85	107.25	15868	14638
Aug	115.55	91.00	15542	13779
Sep	122.45	100.05	17361	15323
Oct	122.00	95.10	20238	17144
Nov	117.00	89.00	20204	18182
Dec	109.90	91.40	20498	18886
2008 – Jan	116.00	63.00	21206	15332
Feb	78.00	55.00	18985	16457
Mar	63.90	33.30	17227	14677

Name and Address of the Registrar & Transfer Agents:

Intime Spectrum Registry Ltd.,

City Office:

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

Suburban Office:

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

Share Transfer System

Messrs. Intime Spectrum Registry 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, 2008

Range	No. of Shareholders	% of Total	No. of Shares held	% of Total
1 – 250	7577	88.09	581790	4.43
251 – 500	592	6.88	213953	1.63
501 – 1000	226	2.63	175934	1.34
1001 – 2000	87	1.02	129717	0.99
2001 – 3000	34	0.39	87621	0.67
3001 – 4000	14	0.16	48165	0.37
4001 – 5000	15	0.17	69773	0.53
5001 – 10000	14	0.16	93875	0.71
Over 10000	43	0.50	11733143	89.33
TOTAL	8602	100.00	13133971	100.00

Shareholding pattern as on 31st March, 2008

	Type of shareholders	No. of shares held	% of Total
1.	Promoters		
	Foreign	6698325	51.00
	Indian	2710378	20.64
2.	Financial Institutions & Banks	483414	3.68
3.	FII's & OCB's	327952	2.50
4.	Mutual Fund/s	269212	2.05
5.	Non Resident Indians	26997	0.20
6.	Domestic Companies	1213033	9.23
7.	Individuals	1404660	10.70
	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, 2008 a total of 5972563 shares of the Company, which forms 45.47% 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. 4000 1818

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 Exchanges, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2008.

For CAPRIHANS INDIA LIMITED

Place : Mumbai
Dated : 30th May, 2008.

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, 2008, as stipulated by Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the 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

Place : Mumbai
Dated : 30th May, 2008.

ASHUTOSH PEDNEKAR
Partner
ICAI Membership No. 41037

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

INDUSTRY AND OUTLOOK

The Company is engaged in the processing of plastic polymers and manufactures Rigid and Flexible PVC films by Calendering process and certain plastic products through extrusion process. Rigid PVC film is largely used for packaging in the Pharmaceutical, Food and FMCG industries. Flexible PVC film and plastic extruded products are used for a variety of industrial and consumer applications. The market size for all the products is growing every year. Demand for certain types of rigid film viz., visual packaging is expected to grow significantly in the coming years due to development of organised retailing in the country.

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

RISKS AND CONCERNS

PVC resin is the most important raw material for the Company. Steep increase in the international crude oil prices has resulted in higher price of PVC resin, which is a petrochemical product. During the year, the Government imposed anti-dumping duty on import of PVC resin resulting in higher prices. Demand for PVC resin in the country has been increasing every year but the domestic capacity has not kept pace with the demand. Further, for certain grades of resin, there is only one manufacturer in India. Hence any disruption in the supply from this source will affect the operations of the Company.

There is intense competition in the market for the Company's products. The overall capacity in the country is significantly more than the demand. Further, an increasing share of the demand is being met by imports from Asian countries at lower prices.

OPPORTUNITIES

The opportunity for growth lies in higher volumes with lower cost, achieved through efficient and quality production backed by adequate customer service. The projects for expansion of the calendering and coating capacity were completed last year. Increased utilisation of these capacities can improve the profitability of the Company in the coming years.

FINANCIAL PERFORMANCE

Sales for the year is Rs. 141 crores compared to Rs. 142 crores during the previous year. Profit before tax and extraordinary items was Rs. 302 lacs compared to Rs. 831 lacs for the previous year. The main reason for the lower profitability is the increase in raw material cost without corresponding rise in the sales realisations. Reduction in other income and higher depreciation charge also affected the profitability.

INTERNAL CONTROL SYSTEMS

The Company has proper and adequate internal control systems to ensure that its assets are safeguarded and that transactions are properly authorised, reported and recorded. The Company has also a system of internal audit and management reviews to ensure compliance with the prescribed procedures and authority levels.

HUMAN RESOURCES

The Company appreciates the efforts of its dedicated team of employees. Industrial relations were cordial during the year. The number of employees on the roll as on 31st March, 2008 was 372. The Company accords very high priority to safety in all aspects of its operations. The employees are trained in various aspects of safety. Regular safety audits are conducted to ensure high safety standards.

Auditors' Report

TO THE MEMBERS OF
CAPRIHANS INDIA LIMITED

1. We have audited the attached Balance Sheet of Caprihans India Ltd., as at 31st March, 2008, the Profit and Loss Account for the financial year ended 31st March, 2008 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, 2008 and taken on record by the Board of Directors, we report that that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - (vi) Without qualifying our audit opinion, we invite attention to -
 - (a) Note no. 4(a) in Schedule 6 regarding disputed excise duty demands aggregating Rs. 860 lakhs (previous year Rs. 1362 lakhs) disclosed as contingent liabilities.
 - (b) Note no. 7 in Schedule 6 regarding delay in realisation of the assets of non-core activities to the extent of Rs. 245 lakhs (Previous year Rs. 245 lakhs).

These are matters referred to in our audit report for the previous year 2006-07.

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
- (b) in the case of the Profit and Loss Account, of the profit for the financial year ended on 31st March, 2008 and
- (c) in the case of the Cash Flow Statement, of the cash flows for the financial year ended on 31st March 2008.

For M.P.CHITALE & CO.
Chartered Accountants

ASHUTOSH PEDNEKAR
Partner

ICAI Membership No. 41037

Place : Mumbai
Dated : 30th May, 2008`

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, 2008)

1. (a) The Company has maintained unit wise Fixed Asset Registers and/or compiled itemwise lists showing particulars of all its fixed assets. The aggregate value shown by these records agrees with the gross value of fixed assets as per the books of account of the Company.

(b) The Company has a programme to verify fixed assets physically once in three years which is in our opinion, reasonable. Consequently, verification of fixed assets has not been done during the period under audit.

(c) Fixed assets disposed off during the year were not substantial.
2. (a) Inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable.

(b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion, the Company maintains proper records of inventory. We are informed that no material discrepancies were noticed on physical verification of inventories.
3. The Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of goods. The Company has not rendered any services during the year. During the course of our audit we did not notice any continuing failure to correct any major weakness in internal controls.
5. In our opinion and according to the information and explanations given to us the contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section and these transactions have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public attracting the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder or the directives issued by RBI.
7. The Company has an Internal Audit system which, in our opinion, is commensurate with the size and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we find that the Company has generally been regular in depositing undisputed statutory dues such as provident fund, investor education & protection fund, employees' state insurance dues, income tax, wealth tax etc. with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above statutory dues were outstanding as on 31st March, 2008 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 :-

Nature of dues	Forum where disputed	Amount Rs. Lakhs
a. Excise duty	CESTAT	185
b. Excise duty	Hon. Supreme Court	519

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 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

ASHUTOSH PEDNEKAR
Partner

ICAI Membership No. 41037

Place : Mumbai
Dated : 30th May, 2008`

Balance Sheet as at 31st March, 2008

	Schedule	Rs. in lakhs	As at 31st March, 2008 Rs. in lakhs	As at 31st March, 2007 Rs. in lakhs
FUNDS EMPLOYED:				
Share Capital	A		1313.40	1313.40
Reserves and Surplus	B		7717.22	7703.09
Total Shareholders' Funds			9030.62	9016.49
Deferred Tax (Net)	C		104.00	135.00
Total			9134.62	9151.49
APPLICATION OF FUNDS:				
Fixed Assets:	D			
(a) Gross Block			7288.79	6979.83
(b) Less: Depreciation			3930.99	3582.22
(c) Net Block			3357.80	3397.61
(d) Capital Work-in-progress			3.14	69.37
Investments	E		201.37	200.00
Current Assets:	F			
(a) Inventories		2838.85		2761.93
(b) Sundry Debtors		4118.37		3902.23
(c) Cash and Bank Balances		1023.27		1265.70
(d) Loans and Advances	G	584.29		632.43
			8564.78	8562.29
Less:				
Current Liabilities & Provisions:	H			
(a) Current Liabilities		2559.17		2686.32
(b) Provisions		433.30		391.46
		2992.47		3077.78
Net Current Assets			5572.31	5484.51
Total			9134.62	9151.49

Notes on Accounts

6

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

M. P. MUNOT

Chairman

R. BALASUBRAMANIAN

Managing Director

S. J. REYNOLDS
R. K. KULKARNI
S. B. ZAVERI
D. N. MUNGALÉ

Directors

ASHUTOSH PEDNEKAR
Partner

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

Mumbai,
Dated: 30th May, 2008

Profit and Loss Account for the year ended 31st March, 2008

	Schedule	For the year ended 31st March, 2008 Rs. in lakhs	For the year ended 31st March, 2007 Rs. in lakhs
INCOME:			
Sales		14108.97	14230.79
Less: Excise Duty		1792.23	1746.87
		12316.74	12483.92
Increase/(Decrease) in Finished Goods,			
Work-in-Progress & Scrap	1	324.91	(25.42)
Other Income	2	208.14	404.36
Transfer from Revaluation Reserve		12.00	12.00
		12861.79	12874.86
EXPENSES:			
Materials	3	8910.59	8466.85
Expenses	4	3230.82	3274.64
Interest		0.31	0.32
Depreciation		418.27	301.67
		12559.99	12043.48
Profit before extraordinary items & taxation		301.80	831.38
Extraordinary items			
— Income/(Expenses)		—	197.03
Provision for taxation			
— Current tax		140.00	310.00
— Fringe benefit tax		13.00	16.00
— Deferred tax		(31.00)	27.00
Profit after taxation		179.80	675.41
Balance from last year		948.62	476.88
Amount available for appropriation		1128.42	1152.29
— Proposed dividend		131.34	131.34
— Corporate tax on dividend		22.33	22.33
— Transfer to General Reserve		—	50.00
Balance carried to Balance Sheet		974.75	948.62
Earning per share (Basic/Diluted) in Rs.		1.37	5.14
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

ASHUTOSH PEDNEKAR
Partner

Mumbai,
Dated: 30th May, 2008

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

M. P. MUNOT

R. BALASUBRAMANIAN

S. J. REYNOLDS
R. K. KULKARNI
S. B. ZAVERI
D. N. MUNGALE

Chairman

Managing Director

Directors

**Schedules attached to and forming part of the Balance Sheet
as at 31st March, 2008**

SCHEDULE "A"

SHARE CAPITAL

Authorised:

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

Issued and Subscribed:

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

Of the above

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

	As at 31st March, 2008 Rs. in lakhs	As at 31st March, 2007 Rs. in lakhs
	2000.00	2000.00
	1313.40	1313.40
	1313.40	1313.40
SCHEDULE "B"		
RESERVES AND SURPLUS		
Capital Reserve:	21.20	21.20
Revaluation Reserve: (See Note 6)		
Opening balance	136.00	148.00
<i>Less:</i> Transfer to Profit and Loss Account	12.00	12.00
	124.00	136.00
Securities Premium Account:	6497.27	6497.27
General Reserve:		
Opening balance	100.00	50.00
<i>Add:</i> Transfer from Profit and Loss Account	—	50.00
	100.00	100.00
Surplus:		
As per Profit and Loss Account	974.75	948.62
	7717.22	7703.09
SCHEDULE "C"		
DEFERRED TAX (Net)		
Deferred tax (See Note 13)	104.00	135.00
	104.00	135.00

Schedules attached to and forming part of the Balance Sheet as at 31st March, 2008

SCHEDULE "D"

FIXED ASSETS

	Cost as at 31st March, 2007		Additions		Deductions		Cost as at 31st March, 2008		Depreciation upto 31st March, 2008		Net Book Value as at 31st March, 2008		Net Book Value as at 31st March, 2007	
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
Leasehold Land	4.30	-	-	-	-	-	4.30	4.30	1.72	2.58	2.62	2.62	2.62	
Buildings (a)	1533.09	55.95	-	-	-	-	1589.04	1589.04	840.09	748.95	754.89	754.89		
Plant and Machinery	4928.11	305.67	60.13	-	60.13	-	5173.65	2753.58	2420.07	2415.68	2415.68	2415.68		
Furniture, Fixtures & Other Equipments	276.07	11.21	7.89	-	7.89	-	279.39	216.06	63.33	79.92	79.92	79.92		
Vehicles	63.96	12.82	8.67	-	8.67	-	68.11	39.20	28.91	27.27	27.27	27.27		
Computer Software	174.30	-	-	-	-	-	174.30	80.34	93.96	117.23	117.23	117.23		
Previous Year	6979.83	385.65	76.69	7288.79	3930.99	3357.80	3357.80	3357.80	3397.61	3397.61	3397.61	3397.61		
	(6033.92)	(1718.12)	(772.21)	(6979.83)	(3582.22)	(2005.08)	(2005.08)	(2005.08)	(2005.08)	(2005.08)	(2005.08)	(2005.08)		
Capital Work-in-Progress (b)						3.14	3.14	3.14	69.37	69.37	69.37	69.37		

Notes: (a) Cost of Buildings includes revaluation of Rs. 235.00 lakhs (Previous year Rs. 235.00 lakhs) (See Note 6).

(b) Capital Work in progress includes - Advances for Capital Expenditure Rs. 3.14 lakhs (Previous year Rs. 63.08 lakhs).

(c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 19.68 lakhs (Previous year Rs. 53.19 lakhs).

Schedules attached to and forming part of the Balance Sheet as at 31st March, 2008

SCHEDULE "E"

INVESTMENTS:

SHARES, DEBENTURES & BONDS (Current)

Other Investments - Unquoted (At Cost)

In Mutual fund units

- (a) 10,00,000 units of Kotak Quarterly Interval Plan Series 5 dividend of Rs. 10 per unit
- (b) 505040.69 units of HDFC Savings Plan – Retail daily dividend – Reinvest of Rs. 10 per unit
- (c) 505325.46 units of TATA Floater Fund daily dividend – Reinvest of Rs. 10 per unit
- (d) Investments sold during the year
20,00,000 units of Kotak FMP 15M Series 1 – Growth of Rs. 10 per unit

NAV of Unquoted Investments

SCHEDULE "F"

CURRENT ASSETS:

(A) Inventories: As valued and certified by the Management (At lower of cost or net realisable value)

	As at 31st March, 2008 Rs. in lakhs	As at 31st March, 2007 Rs. in lakhs
(i) Raw Materials	1146.81	1373.79
(ii) Finished Goods	1104.65	855.29
(iii) Work-in-progress	228.66	175.55
(iv) Stores	89.53	76.61
(v) Goods-in-Transit	173.29	207.22
(vi) Scrap	95.91	73.47
	<u>2838.85</u>	<u>2761.93</u>

(B) Sundry Debtors – Unsecured

Outstanding for a period exceeding six months:	977.22	723.06
Others	3318.32	3349.73
	<u>4295.54</u>	<u>4072.79</u>
<i>Less: Debts considered doubtful and provided for</i>	<u>177.17</u>	<u>170.56</u>

Balance - Considered good **4118.37** 3902.23

(C) Cash and Bank Balances

(i) Cash in Hand	2.60	3.97
(ii) Balances with Scheduled Banks		
In Current Account	232.63	139.54
In Deposit Account	756.95	1050.65
(iii) Remittances in Transit	31.09	71.54
	<u>1023.27</u>	<u>1265.70</u>
	<u><u>7980.49</u></u>	<u><u>7929.86</u></u>

Schedules attached to and forming part of the Balance Sheet as at 31st March, 2008

SCHEDULE "G"

LOANS AND ADVANCES

(Unsecured Considered Good unless otherwise specified)

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

Amounts receivable

Balances with Excise

Less: Advances considered doubtful & provided for

Balance – Considered good

	As at 31st March, 2008 Rs. in lakhs	As at 31st March, 2007 Rs. in lakhs
	205.87	207.12
	137.05	112.85
	243.01	314.10
	585.93	634.07
	1.64	1.64
	584.29	632.43
SCHEDULE "H"		
CURRENT LIABILITIES AND PROVISIONS:		
(A) Current Liabilities:		
Sundry Creditors – Others	2420.17	2559.70
Micro, Small & Medium enterprises (See Note 8)	–	–
Advances received for value to be given	91.31	75.52
Investor Education and Protection Fund shall be credited by the following amounts:		
– Unclaimed/Unpaid matured debentures	1.27	2.43
– Unclaimed/Unpaid debenture interest	–	0.44
– Unclaimed/Unpaid dividend	2.66	1.38
Deposits from Customers and others	21.13	21.13
Due to Trustees of Gratuity Fund	22.63	25.72
	2559.17	2686.32
(B) Provisions:		
Provision for Taxation (Net)	170.47	137.68
Provision for Unencashed Leave	109.16	100.11
Proposed dividend	131.34	131.34
Corporate tax on dividend	22.33	22.33
	433.30	391.46
	2992.47	3077.78

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2008

SCHEDULE "1"

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

Stock at Close:

Finished Goods
Work-in-Progress
Scrap

Stock at Commencement:

Finished Goods
Work-in-Progress
Scrap

	Rs in lakhs	For the year ended 31st March, 2008 Rs in lakhs	For the year ended 31st March, 2007 Rs in lakhs
	1104.65		855.29
	228.66		175.55
	95.91		73.47
	<hr/>	1429.22	<hr/> 1104.31
	855.29		980.75
	175.55		113.03
	73.47		35.95
	<hr/>	1104.31	<hr/> 1129.73
		324.91	<hr/> (25.42) <hr/>

SCHEDULE "2"

OTHER INCOME:

Miscellaneous Income
Insurance Claims
Rent
Interest from Banks and others
(Tax deducted at source Rs. 15.26 lakhs, Previous Year Rs. 33.82 lakhs)
Income from Investment
Profit on Fixed Assets sold/scrapped (Net)
Provisions no longer required

65.74 33.24
0.72 0.97
8.09 14.80
82.56 196.39
23.05 1.78
1.74 143.16
26.24 14.02

208.14 404.36

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2008

SCHEDULE "3"

MATERIALS:

Raw Materials consumed

Purchase of Goods

Stores and Spares consumed

	For the year ended 31st March, 2008 Rs in lakhs	For the year ended 31st March, 2007 Rs in lakhs
	8735.68	8263.07
	32.66	73.10
	142.25	130.68
	8910.59	8466.85
SCHEDULE "4"		
EXPENSES:		
Salaries, Wages and Bonus	861.74	884.62
Contribution to Provident & Other Funds	63.00	63.53
Staff Welfare	59.92	66.36
Processing/Fabrication Charges	115.23	69.13
Non core related expenses	30.77	35.71
Power, Fuel and Water Charges	841.18	848.30
Rent	20.86	20.23
Rates and Taxes	4.31	4.76
Insurance	18.00	26.03
Repairs to Plant and Machinery	37.47	41.29
Repairs to Building	5.15	8.11
Packing Materials, Forwarding etc.	688.19	723.90
Directors' Remuneration	37.35	34.42
Commission on Sales	125.70	122.04
Miscellaneous Expenses	325.78	331.97
Charges/(Recovery) on realisation of non-core assets (See Note 7)	(30.77)	(35.71)
Bad debts written off	5.28	6.62
Provision for Doubtful Debts	21.66	23.33
	3230.82	3274.64

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2008

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.	ITEM	Licensed Capacity M.T. Per Annum	Installed Capacity Per Annum (c) Kgs.	Actual Production 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	23220 (23220) (a)	25860 (25860)	13650 (13411)	1027 (1249)	70058 (83458)	42 (93)	3266 (7310)	1251 (1027)	94310 (70058)	10188 (10787)	86 (225)	9075 (9148)	1252936 (1257739)
2	Plastic Extruded Sheets & Films	420 (420) (b)	420 (420)	545 (766)	105 (96)	7968 (7125)			122 (105)	8777 (7968)	66 (178)		215 (331)	55425 (78621)
3	Hollow Plastic Corrugated Boards	1050 (1050)	1050 (1050)	801 (686)	90 (112)	7503 (7492)			93 (90)	7378 (7503)	77 (90)		1443 (1200)	85396 (72572)
4	Sundry/ Scrap sales													17140 (14147)
TOTAL												1410897 (1423079)		

(All figures in 000's)

Notes:

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

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2008

SCHEDULE "5" (Contd.)

	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
	Quantity M.T.	Value Rs. in lakhs	Quantity M.T.	Value Rs. in lakhs
(B) RAW MATERIALS CONSUMED				
Resins	11676	5583.19	11618	5124.69
Plasticizers	1234	843.94	1177	782.64
Polystrene	70	61.62	185	147.97
Polypropylene	890	581.13	794	507.67
Polythene	391	259.47	484	304.32
Others		1406.33		1395.78
		8735.68		8263.07
(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	2325.51	26.62	2212.89	26.78
Raw Materials – Indigenous	6410.17	73.38	6050.18	73.22
	8735.68	100.00	8263.07	100.00
Spares Parts – Imported	4.51	3.17	5.36	4.10
Spares Parts – Indigenous	137.74	96.83	125.32	95.90
	142.25	100.00	130.68	100.00
(D) VALUE OF IMPORTS ON C.I.F. BASIS				
Raw Materials		2208.84		2144.38
Spares		4.51		5.36
Capital Goods		37.44		322.44
Goods purchased		22.31		52.06
(E) EXPENDITURE IN FOREIGN CURRENCY				
Travelling Expenses		3.43		20.49
Commission		6.08		22.18
Others		4.75		16.49
(F) EARNING IN FOREIGN EXCHANGE				
Export of Goods on F.O.B. Basis		1104.58		1420.35
(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		66.98		66.98
(d) Year to which dividend relates		2006-2007		2005-2006

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date

	Year ended/ as on 31st March, 2008 Rs. in lakhs	Year ended/ as on 31st March, 2007 Rs. in lakhs
SCHEDULE "6"		
NOTES ON ACCOUNTS:		
1	Miscellaneous Expenses (Schedules 4) include:	
	– Foreign exchange gains/(loss) (net)	(6.28)
2	Other remuneration to Managing Director	
	(1) Contribution to Provident & Other Funds	6.47
	(2) Performance bonus	2.10
	(3) Reimbursement of medical expenses	0.15
3	Payment to Auditors:	
	(1) Audit Fee	6.00
	(2) For Other Services	0.85
	(3) Taxation Matters	–
	(4) Reimbursement of Expenses	1.35
	(5) For advisory services	1.80
4	Contingent Liabilities:	
	(a) (i) Demands of Excise authorities which are disputed in appeals by the Company with CESTAT and Supreme Court of India	452.00
	(ii) Appeals filed by Excise authorities in the Supreme Court of India against orders passed by CESTAT in favour of the Company	754.00
	(iii) Other excise demands pending adjudication	156.33
	The ultimate outcome of the above matters cannot be presently determined and hence no provision for the same is made in the Accounts	
	(b) Claims against the Company not acknowledged as debts – estimated	267.78
5	Bank of Maharashtra has sanctioned working capital facilities which are secured by hypothecation of stocks and book debts and by a second charge by way of an equitable mortgage by deposit of title deeds over the following immovable properties of the Company:	
	– Plot No. 76, MIDC Industrial Estate, Satpur, Nasik.	
	– Plot Nos. C-13 and C-16, Wagle Industrial Estate, Thane.	
	– Office blocks admeasuring 5640 sq.ft. at Block 'D', Shivsagar Estate, Worli, Mumbai.	
6	During the year ended 31st December,1997 the Company revalued its Head Office premises resulting in net increase in value of buildings by Rs. 448.50 lakhs which was credited to Revaluation Reserve. On a review of the value of the premises on current basis and based on a valuation report, the Company wrote down the revalued amount by Rs 160 lakhs (net) during the period ended 31st March, 2004.	
	Depreciation in respect of the said premises has been computed on the adjusted value after taking into consideration its revised balance life as per the Valuation Report. Proportionate depreciation on revaluation amounting to Rs. 12 lakhs (Previous year Rs. 12 lakhs) has been transferred to the Profit and Loss Account from the Revaluation Reserve.	
7	Consequent upon the change in management control of the Company during 1997, the Company is focusing on its core activities of manufacture of PVC Films and Plastic Extruded products. Assets of the activities identified as Non-Core have been disposed off pursuant to an agreement with Kalpataru Ltd (KL) (formerly known as Kalpataru Homes Ltd) on the basis that the	

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date

Company shall realise an agreed aggregate amount against these assets. While substantial realisation has been made by KL, there is a delay in realisation of Rs. 245 lakhs as on 31st March, 2008. The Management is confident of full recovery of non-core dues in due course.

The Profit/(Loss) on realisation of non-core assets (which is on KL's account) has been disclosed in Schedule 4, as "Charges/(Recovery) on realisation of non-core assets".

8 The Suppliers/Service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed under Section 22 of the said Act is not given.

9. Segment Reporting as per AS 17:

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

10. Related Party Disclosure as per AS 18:

(i) List of Related Parties :

(a) Enterprise where control exists

Holding Company:

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

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

- INEOS Films GmbH
- INEOS Vinyls UK Limited
- INEOS Films SPA
- INEOS Films Italia
- INEOS Vinyls Sales GmbH

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

(ii) Relationship:

- (a) INEOS Films GmbH, which is part of Ineos group, hold 51% of the Share Capital of the Company.
- (b) Indian Promoters hold in aggregate over 20% of the Share Capital of the Company.

(iii) Key Management Personnel

- (a) Mr. R. Balasubramanian – Managing Director
- (b) Mr. David Thompson – Director
- (c) Mr. Steve Reynolds – Director

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date

	Year ended/ as on 31st March, 2008 Rs. in lakhs	Year ended/ as on 31st March, 2007 Rs. in lakhs
(iv) Transactions during the year with related parties – Nature of transaction		
(a) Purchases of materials and others from Ineos group of companies	83.65	14.90
Purchases of machineries from Ineos group of companies	19.13	313.80
(b) Sale of consummables to Ineos group of companies	0.70	–
(c) Managerial remuneration		
(i) Gross salary including taxable perquisites	39.30	36.23
(ii) Contribution to Provident and Other Funds	8.31	6.47
The above figures exclude provision for gratuity and leave encashment which are actuarially determined on an overall company basis.		
(d) Interest Income – Indian Promoters	14.74	14.70
(e) Sundry Creditors as at year end	170.54	156.12
11. Disclosure of Leases as per AS 19:		
The Company has various operating leases for offices, godowns and residential premises for employees that are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases recognised in the Profit and Loss Account for the year is Rs. 20.86 lakhs (Previous year Rs. 20.23 lakhs). Company does not have any non-cancellable operating leases as on date.		
12. Earning per Share as per AS 20:		
(i) Net Profit available for equity shareholders	179.80	675.41
(ii) No. of equity shares	13133971	13133971
(iii) Basic & Diluted Earning per share (Face value of Rs. 10 each) in Rs.	1.37	5.14
13. Accounting for Taxes on Income as per AS 22:		
Deferred tax assets/liability(-) is as under:		
(i) Difference between book and tax depreciation	(361.72)	(368.02)
(ii) Deduction allowable on payment basis u/s 43 B of Income Tax Act	196.94	175.06
(iii) Provision for doubtful debts & advances	60.78	57.96
Total	(104.00)	(135.00)

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

	Opening balance Rs. in lakhs	Provision for the year Rs. in lakhs	Provision reversed/ paid/adjusted Rs. in lakhs	Closing balance Rs. in lakhs
Provision for taxation (net)	137.68	153.00	120.21	170.47
Proposed dividend	131.34	131.34	131.34	131.34
Corporate tax on dividend	22.33	22.33	22.33	22.33
Provision for doubtful debts/advances	172.20	21.66	15.05	178.81
Others	77.95	0.00	0.00	77.95

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

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date

15 Employee benefits as per AS 15:

Rs. in lakhs

(A) Contribution to Defined Contribution Plan recognised in the Profit and Loss Account for the year ended 31st March, 2008 are as under:

(i) Employer's contribution to Provident/Pension Fund	46.57
(ii) Employer's contribution to Superannuation Fund	7.98

(B) The Company operates Defined Benefit Plan for

- (i) Employees gratuity scheme which is funded and
(ii) Employees leave encashment scheme which is not funded

The disclosures in relation thereto are as under:

(a) Reconciliation of opening and closing balances of obligation

	Gratuity Rs. in lakhs	Leave encashment Rs. in lakhs
Present value of obligation as on 1st April, 2007	242.30	100.11
Interest cost	18.16	8.01
Current service cost	19.61	10.94
Benefits paid	(30.69)	(21.22)
Actuarial (gain)/loss on obligation	16.86	11.32
Present value of obligation as on 31st March, 2008	266.24	109.16

(b) Reconciliation of opening and closing balances of fair value of plan assets

Fair value of plan assets as on 1st April, 2007	216.59	–
Expected return on plan assets	18.42	–
Contribution	25.47	–
Benefits paid	(30.69)	–
Actuarial (gain)/loss on plan assets	14.07	–
Fair value of plan assets as on 31st March, 2008	243.86	–

(c) Reconciliation of fair value of assets and obligation

Present value of obligation as at 31st March, 2008	266.24	109.16
Fair value value of Plan assets as at 31 st March, 2008	(243.86)	–
Amount recognised in the Balance sheet	22.38	109.16

(d) Expense recognised during the year

Current service cost	19.61	10.94
Interest cost	18.16	8.01
Expected return on plan assets	(18.42)	–
Actuarial (gain)/loss	2.79	11.32
Service cost net of contribution	0.24	–
Expenses recognised during the year	22.38	30.27

(e) Actuarial assumptions (per annum)

Discount rate	8.00%	8.00%
Expected return on plan assets	8.00%	–
Salary escalation	6.00%	6.00%

Schedules attached to and forming part of the Profit and Loss Account for the year ended 31st March, 2008 and the Balance Sheet as at that date

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

I. Registration details:		
Company Identification No.		L29150MH1946PLC004877
State Code		11
Balance Sheet Date		31-03-2008
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		913462
Total Assets		913462
Sources of Funds:		
Paid-up Capital		131340
Reserves & Surplus		771722
Secured Loans		0
Unsecured Loans		0
Deferred Tax		10400
Application of Funds:		
Net Fixed Assets		336094
Investments		20137
Net Current Assets		557231
Miscellaneous Expenditure		0
Accumulated Losses		0
IV. Performance of Company:		
		(Amount in Rs. Thousands)
Turnover		1410897
Total Expenditure		1380717
Profit Before Tax		30180
Profit After Tax		17980
Earning Per Share (In Rs.)		1.37
Dividend Rate (In %)		10.00%
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, 2008 and the Balance Sheet as at that date

17. SIGNIFICANT ACCOUNTING POLICIES:

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

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

Signatures to Schedules '1' to '6'

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

ASHUTOSH PEDNEKAR
Partner

Mumbai,
Dated: 30th May, 2008

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

M. P. MUNOT *Chairman*
R. BALASUBRAMANIAN *Managing Director*

S. J. REYNOLDS
R. K. KULKARNI
S. B. ZAVERI
D. N. MUNGALE } *Directors*

Cash Flow Statement for the year ended 31st March, 2008

	For the year ended 31st March, 2008 Rs. in lakhs	For the year ended 31st March, 2007 Rs. in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax & extraordinary items	301.80	831.38
Adjustments for:		
Normal depreciation	406.27	289.67
Loss/(Profit) on Fixed Assets sold/scrapped(net)	(1.74)	(143.16)
Interest	0.31	0.32
Operating Profit before working capital changes	706.64	978.21
Changes in:		
Trade & other receivables	(168.00)	(538.26)
Inventories	(76.92)	(398.05)
Trade Payables	(85.31)	760.71
CASH GENERATED FROM OPERATIONS	376.41	802.61
Interest	(0.31)	(0.32)
Direct taxes paid	(153.00)	(326.00)
Extraordinary items	0.00	197.03
NET CASH FROM OPERATING ACTIVITIES (A)	223.10	673.32
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(319.43)	(1672.97)
Sale of Fixed assets	8.94	167.09
Purchase of Investments (Net)	(1.37)	(200.00)
NET CASH USED IN INVESTING ACTIVITIES (B)	(311.86)	(1705.88)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(153.67)	(149.76)
NET CASH USED IN FINANCING ACTIVITIES (C)	(153.67)	(149.76)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	(242.43)	(1182.32)
CASH & CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR	1265.70	2448.02
CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR	1023.27	1265.70
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(242.43)	(1182.32)

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

ASHUTOSH PEDNEKAR
Partner

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

M. P. MUNOT

R. BALASUBRAMANIAN

S. J. REYNOLDS
R. K. KULKARNI
S. B. ZAVERI
D. N. MUNGALE

Chairman

Managing Director

Directors

Mumbai,
Dated: 30th May, 2008

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. **SUNLAC, SUNSTRENE, SUNTHENE & SUNLENE:**

Extruded sheets in various polymers such as ABS, HIPS, HDPE & PP for industrial applications.

6. **SUNPAC:**

Flute Board.

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

7. **SUN BOARD:**

Rigid PVC Foam Board used for Building Industry for panelling, partitions and also for advertising purposes.

Our Exports

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

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

Financial Position at a Glance

(Rupees in lakhs)

	31.12.1998	31.12.1999	31.12.2000	31.12.2001	31.12.2002	31.03.2004 (15 Months)	31.03.2005	31.03.2006	31.03.2007	31.03.2008
WE OWNED										
Fixed Assets	4880.02	4094.60	3317.04	2851.05	2469.34	2156.45	2065.87	2119.61	3466.98	3360.94
Investments	312.94	34.44	34.42	23.40	—	—	—	—	200.00	201.37
Inventories	2875.40	3398.06	3033.46	1952.68	2276.62	2054.61	2114.29	2363.88	2761.93	2838.85
Receivables	2984.36	3448.15	2801.31	2804.65	3377.65	3488.35	3854.84	3624.64	3902.23	4118.37
Advances	2250.22	1943.34	1597.33	1048.23	1002.61	1738.07	1425.34	2448.02	1265.70	1023.27
Liquid Funds	241.17	275.93	301.13	444.30	572.37	608.97	431.90	371.76	632.43	584.29
	13544.11	13194.52	11084.69	9124.31	9698.59	10046.45	9892.24	10927.91	12229.27	12127.09
WE OWED										
Institutional Loans	1265.61	2068.06	1865.94	581.37	655.88	695.65	—	—	—	—
Other Loans	1574.08	1039.40	512.45	—	—	—	—	—	—	—
Payable & Provisions	2797.90	3425.35	2416.45	2066.86	2190.48	2160.86	1790.51	2271.40	3059.11	2942.80
Dividends	—	—	—	—	—	—	—	149.76	153.67	153.67
	5637.59	6532.81	4794.84	2648.23	2846.36	2856.51	1790.51	2421.16	3212.78	3096.47
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	8065.47	7821.47	7419.97	6888.97	6870.97	6690.47	6794.63	7193.35	7703.09	7717.22
Others	(1472.35)	(2473.16)	(2443.52)	(1726.29)	(1332.14)	(813.93)	(6.30)	—	—	—
	7906.52	6661.71	6289.85	6476.08	6852.23	7189.94	8101.73	8506.75	9016.49	9030.62
	13544.11	13194.52	11084.69	9124.31	9698.59	10046.45	9892.24	10927.91	12229.27	12127.09
What We Earned and Spent										
EARNINGS	10460.90	9557.52	10577.00	9926.41	10892.34	15154.79	14191.84	14223.01	14609.73	14642.02
OUTGOINGS:										
Materials	4601.92	4631.55	5491.27	4782.21	5955.05	8333.12	8432.20	8193.98	8466.85	8910.59
Excise	1481.07	1506.87	1319.60	1124.57	1287.64	1828.68	1754.19	1777.74	1746.87	1792.23
Expenses	4394.38	3563.36	3923.45	3441.82	2856.36	3932.09	3131.62	3270.37	3274.96	3231.13
Depreciation	459.28	458.90	416.25	388.60	382.54	475.17	314.69	278.14	301.67	418.27
Trf. from revaluation reserve	(36.00)	(36.00)	(26.25)	(18.00)	(18.00)	(20.50)	(12.00)	(12.00)	(12.00)	(12.00)
	10900.65	10124.68	11124.32	9719.20	10463.59	14548.56	13620.70	13508.23	13778.35	14340.22
Profit/(Loss) before extraordinary items & tax	(439.75)	(567.16)	(547.32)	207.21	428.75	606.23	571.14	714.78	831.38	301.80
Extraordinary income/(expense)	(356.54)	(230.57)	222.87	(122.32)	(20.33)	(99.14)	361.55	(6.30)	197.03	—
Tax Provision/ (Written back)	(100.00)	—	—	—	2.60	2.60	28.10	148.00	353.00	122.00
Net Profit/(Loss)	(696.29)	(797.73)	(324.45)	84.89	405.82	504.49	904.59	560.48	675.41	179.80
Dividends	—	—	—	—	—	—	—	149.76	153.67	153.67
	(696.29)	(797.73)	(324.45)	84.89	405.82	504.49	904.59	410.72	521.74	26.13



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.)

Form with fields: FOLIO NO., DP. Id*, Client Id*

NAME OF THE SHAREHOLDER:

I hereby record my presence at the 62nd Annual General Meeting of the Company at the JAI HIND COLLEGE AUDITORIUM, Jai Hind College Building, A Road, Churchgate, Mumbai 400 020 on Friday, the 5th September, 2008.

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):

Form with fields: 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 as my/our proxy to vote for me/us and on my/our behalf at the 62nd Annual General Meeting of the Company to be held on Friday, the 5th September, 2008 at 3.00 p.m. or any adjournment or adjournments thereof.

As witness my/our hand(s) this day of 2008.

Affix a 15 Paise 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.

BOOK POST

If not delivered, please return to:
CAPRIHANS INDIA LIMITED
Block-D, Shivsagar Estate,
Dr. Annie Besant Road,
Worli, Mumbai 400 018.