

## AUDITORS REPORT

TO  
THE MEMBERS OF  
KALPENA INDUSTRIES LTD.

- 1) We have audited the attached Balance Sheet of Kalpena Industries Ltd. as at 31<sup>st</sup> March 2011 and the Profit and Loss Account and the Cash Flow Statement for the 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 misstatement. 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 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of "The Companies Act., 1956 of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - c. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e. On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of sub-section (I) of section 274 of the Companies Act, 1956.
  - f. 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;
  - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011 and
  - ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
  - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For D.C. DHAREWA & CO.  
Firm Registration No. 322617E  
*CHARTERED ACCOUNTANTS*

(D.C. DHAREWA)  
*PROPRIETOR*  
(MEMBERSHIP NO. 53838)

Date : 29.09.2011

Annexure referred to in paragraph 3 of the Auditors Report of even date to the members of Kalpena Industries Ltd. on the accounts of for the year ended 31st March 2011.

- i)
  - a) The company is generally maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - b) As per the information and explanation given to us, fixed assets are physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on such verification were not material.
  - c) There was no substantial disposal of the Fixed Assets.
- ii)
  - a) As explained to us, the inventories of the company except stock in transit, have been physically verified by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
  - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of operation of the company and have been dealt with in the books of accounts.
- iii)
  - a) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
  - b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the products of the company are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is generally an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. Read with the above, during the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- v) In our opinion and according to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposit from public in terms of section 58A and 58AA and the relevant provisions of the Companies Act, 1956.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us the Central Government has not prescribed for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- ix)
  - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities. As at 31st March' 2011, there were no arrears in respect of the aforesaid dues for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as applicable

as at 31st March' 2010, which have not been deposited on account of a dispute are as follows -

Name of Statue	Nature of Dues	Amount (Rs. In Thousands)	Period of which the amount relates	Forum where dispute is pending
Excise Act	Excise Duty	2935	F.Y. 1996-97	CEGAT
Income Tax Act 1961	Fringe Benefit Tax	155	A.Y. 2006-07	I.T.O.
Value Added Tax	Value Added Tax	44,705 6,093 34,441	F.Y. 2004-05 F.Y. 2005-06 F.Y. 2006-07	Jt. Comm. of Sales Tax, Beliaghata Kolkata
Central Sales Tax	Central Sales Tax	6,912 21,757 10,110	F.Y. 2004-05 F.Y. 2005-06 F.Y. 2006-07	Jt. Comm. of Sales Tax, Beliaghata Kolkata

- x) There are no accumulated losses of the company. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and banks as at the Balance Sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statue applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- xiv) In our opinion the company, is not dealing in or trading in shares, securities, debentures and other investments.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from Bank or financil institutions during the year.
- xvi) According to the information and explanations given to us, the Term Loan are being applied by the Company for the purpose for which the loan were obtained.
- xvii) According to the information and explanations given to us, on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii) a) The Company has made preferential allotment of 60,00,000 equity shares of Rs.10 each, at a premium of Rs.70 per share during the year, against share warrant. In our view, the terms and conditions of aforesaid allotment are not prejudicial to the interest of the company.
- b) In our opinion and according to the information and explanations given to us, where the Company has created Share Capital Suspense Account for allotment of shares as per Scheme of Amalgamation approved by the Hon'ble High Court of judicature at Kolkata on 28th July, 2011 and filed with the Registrar of Companies on 05th September, 2011, consideration paid to the shareholders of the amalgamating transferor companies is, in our opinion, not prejudicial to the interest of the company.
- xix) There are no debentures issued and outstanding at the year end.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us and representations made by management and based upon the audit procedures performed, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For D.C. DHAREWA & CO.  
Firm Registration No. 322617E  
*CHARTERED ACCOUNTANTS*

(D.C. DHAREWA)  
*PROPRIETOR*  
(MEMBERSHIP NO. 53838)

Date : 29.09.2011

**BALANCE SHEET AS AT 31ST MARCH, 2011***(Rs in Thousand)*

	Schedule	As At March 31st, 2011		As At March 31st, 2010	
<b>SOURCES OF FUNDS</b>					
Shareholder's Funds					
Share Capital	A	184,946		115,536	
Share Capital Suspense	A1	3,200		9,410	
Reserve and Surplus	B	<u>1,615,950</u>	1,804,096	<u>979,518</u>	1,104,464
Share Warrants			-		120,000
Loan Funds					
Secured Loans	C	1,597,973		962,939	
Unsecured Loans	D	<u>59,154</u>	1,657,127	<u>403,672</u>	1,366,611
Deferred Tax Liability			100,534		73,936
<b>TOTAL</b>			<u><u>3,561,757</u></u>		<u><u>2,665,011</u></u>
<b>APPLICATION OF FUNDS</b>					
Fixed Assets					
Gross Block	E	1,297,401		996,769	
Less: Depreciation		<u>332,605</u>		<u>260,818</u>	
Net Block		964,796		735,951	
Capital work in progress		<u>214,386</u>	1,179,182	<u>47,590</u>	783,541
Investments	F		25,361		20,911
Current Assets, Loans and Advances					
Inventories	G	752,093		558,779	
Sundry Debtors	H	1,725,781		1,281,014	
Cash and Bank Balances	I	190,489		122,987	
Loans and Advances	J	<u>451,686</u>		<u>383,781</u>	
<b>TOTAL (I)</b>		<u>3,120,049</u>		<u>2,346,561</u>	
Less : Current Liabilities and Provisions					
Current Liabilities	K	561,328		325,242	
Provisions	L	<u>201,510</u>		<u>160,760</u>	
<b>TOTAL (II)</b>		<u>762,838</u>		<u>486,002</u>	
Net Current Assets (I-II)			2,357,211		1,860,559
Miscellaneous Expenditure (To the extent not written off or adjusted)	M		3		-
<b>TOTAL</b>			<u><u>3,561,757</u></u>		<u><u>2,665,011</u></u>
Statement of significant Accounting Policies	U				
Notes on Accounts	V				

This is the Balance Sheet referred to in our Report of even date attached

For D. C. Dharewa & Co.

*Chartered Accountants*

Firm Registration No:322617E

D. C. Dharewa

*Proprietor*

Membership No.53838

Date : 29th September, 2011

Place : Kolkata

For and on behalf of the Board

D. C. Surana  
*Chairman*

Narrindra Suranna  
*Vice Chairman and  
Managing Director*

A. B. Chakrabarty  
*Company Secretary*

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011***(Rs in Thousand)*

	Schedule	Year Ended March 31st, 2011		Year Ended March 31st, 2010	
<b>INCOME</b>					
Turnover (Gross)	N	9,034,432		7,659,295	
Less: Excise Duty		603,784		471,253	
Net Turnover			8,430,648		7,188,042
Other Income	O		45,199		56,045
Increase/(Decrease) in Stock	P		(17,838)		42,210
Total (I)			8,458,009		7,286,297
<b>EXPENDITURE</b>					
Manufacturing Expenses	Q		7,464,726		6,332,082
Payment to and Provisions for Employees	R		89,606		61,753
Administrative, Selling and Other Expenses	S		443,007		331,485
Interest & Finance Charges	T		110,772		109,570
Depreciation		71,975		58,185	
Less: Depreciation on amount added on revaluation		1,434	70,541	1,448	56,737
Total (II)			8,178,652		6,891,627
Profit before Exceptional items and Taxation (I - II)			279,357		394,670
Less : Prior Period Adjustment			1,549		2,116
Profit before Taxation			277,809		392,554
Less : Provision for Taxation					
Current Tax		56,000		78,500	
Minimum Alternate Tax Credit		-		(15,100)	
Short Provision for Tax for earlier years		3,752		918	
Deferred Tax		26,598		29,173	
Wealth Tax		137	86,487	-	93,491
Profit After Taxation			191,322		299,063
Balance brought forward from last year			666,397		480,138
Balance Brought Forward from amalgamating Company			(8,122)		(3,164)
Profit Available for Appropriation			849,596		776,037
Appropriation					
Proposed Dividend			41,392		25,418
Tax on Proposed Dividend			6,715		4,222
General Reserve			40,000		80,000
Balance Carried to Balance Sheet			761,489		666,397
			849,596		776,037
			<i>Rs</i>		<i>Rs</i>
Earning Per Share (Basic)			11.71		25.88
Earning Per Share (Diluted)			11.71		23.94
(Note 18 on Schedule - V)					
Statement of significant Accounting Policies	U				
Notes on Accounts	V				

This is the Profit and Loss Account referred to in our Report of even date attached

For D. C. Dharewa & Co.  
*Chartered Accountants*  
 Firm Registration No:322617E  
 D. C. Dharewa  
*Proprietor*  
 Membership No.53838  
 Date : 29th September, 2011  
 Place : Kolkata

For and on behalf of the Board

D. C. Surana  
*Chairman*

Narrindra Suranna  
*Vice Chairman and  
 Managing Director*

A. B. Chakrabarty  
*Company Secretary*

## Statement of Cash Flow for the Year Ended 31st March, 2011

	Year Ended March 31st, 2011		Year Ended March 31st, 2010	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax & Extra Ordinary Items		279,357		394,670
Add: Depreciation	70,541		56,737	
Loss on Sale of Fixed Assets	-		739	
Sundry Balance Written Off	424		575	
Preliminary Expenses W/Off	3		-	
Interest Expenses	110,772	181,739	109,570	167,621
		461,096		562,291
Less: Interest Income	10,048		18,492	
Profit on Sale of Fixed Assets	839		-	
Foreign Currency Fluctuation Gain (Notional)	126	11,013	32,214	50,706
Operating Profit before Working Capital Changes		450,083		511,585
Adjustment for:				
Trade Receivable	(433,279)		55,338	
Loans & Advances	43,280		(59,727)	
Inventories	(172,331)		(173,756)	
Provision	(4,931)		41,291	
Trade & Other Payable	109,779	(457,481)	(277,146)	(414,000)
Cash Generated before Extra Ordinary Items		(7,398)		97,585
Prior Period Expenditure		(1,549)		(2,116)
Cash Generated from Operations		(8,947)		95,469
Income Tax Paid		(62,581)		(64,318)
Net Cash Generated from Operations (A)		(71,528)		31,151
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets (Including CWIP)		(201,082)		(148,615)
Advance towards purchase of Fixed Assets		(184,126)		-
Sale of Fixed Assets		3,697		4,590
Purchase of Investment		(5,045)		(20,029)
Interest Received		1,786		15,656
Net Cash Generated from Investing Activities (B)		(384,770)		(148,398)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long Term Borrowings		413,786		(59,178)
Share Warrants		360,000		120,000
Working Capital Loan from Bank		250,853		155,229
Short Term Borrowings		(374,123)		35,276
Interest Paid		(110,772)		(109,570)
Dividend Paid (Including Tax on Dividend)		(28,494)		(22,788)
Net Cash Generated from Financing Activities (C)		511,250		118,969
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		54,952		1,722
Cash & Cash Equivalents as at Beginning		122,987		107,071
Cash & Cash Equivalents taken over consequent upon amalgamation		12,550		14,194
Cash & Cash Equivalents as at End		190,489		122,987

**NOTES:**

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on cash Flow Statements issued by the Institute of Chartered Accountants of India
- 2 Previous Year's figures have been regrouped where necessary to conform to the current year's classification.
- 3 Cash and Cash Equivalents comprise :

<i>Cash in Hand</i>	2,548	2,439
Balances with scheduled banks:		
<i>In Current Accounts</i>	39,126	25,438
<i>In EEFC Accounts</i>	39,723	-
<i>In Margin &amp; Guarantee Deposit Accounts</i>	104,441	91,606
<i>In Unpaid Dividend Account</i>	4,650	3,504
	190,489	122,987

For D. C. Dharewa & Co.  
*Chartered Accountants*  
 Firm Registration No:322617E  
 D. C. Dharewa  
*Proprietor*  
 Membership No.53838  
 Date : 29th September, 2011  
 Place : Kolkata

For and on behalf of the Board

D. C. Surana <i>Chairman</i>	Narrindra Suranna <i>Vice Chairman and Managing Director</i>
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A. B. Chakrabartty  
*Company Secretary*

## Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011

*(Rs in Thousand)*

	As At March 31st, 2011	As At March 31st, 2010
<b>SCHEDULE - A</b>		
Share Capital		
Authorised		
3,06,00,000 (Previous Year 3,00,00,000)	306,000	300,000
Equity Shares of Rs 10/-each		
Issued, Subscribed & Paid Up		
1,15,53,600 Equity Shares of Rs 10/-each	115,536	115,536
Add: 60,00,000 (Previous Year. Nil) Equity Shares of Rs.10/- each issued against Convertible Share Warrants	60,000	-
Add: 9,40,986 (Previous Year. Nil) Equity Shares of Rs.10/- each issued pursuant to the Scheme of Arrangement without payment being received in Cash.	9,410	-
	184,946	115,536
Notes: of Above Shares (48,94,586 (Previous Year 39,53,600) Equity Shares of Rs.10/- each have been allotted as fully paid up pursuant to contract (Scheme of Amalgamation/Arrangements) without payment being received in Cash)		
<b>SCHEDULE - A1</b>		
Share Capital Suspense		
3,20,000 (Previous Year 9,40,986) Equity shares of Rs 10/- each to be issued as fully paid up due to merger of Bavaria Poly Private Limited (Previous year Alkom Speciality Compounds Limited) pursuant to scheme of Amalgamation. (See Note No.1 in schedule-V)	3,200	9,410
<b>SCHEDULE - B</b>		
Reserve and Surplus		
Capital Reserve (As per last Account)	1,291	1,291
Securities Premium Account		
As per last Account	31,295	31,295
Add: Amount received on allotment of equity shares against Convertible Share Warrants	420,000	-
	451,295	31,295
Add: Taken over pursuant to scheme of amalgamation Amalgamation Reserve	80,950	-
As per last Account	82,180	-
Add: Addition pursuant to scheme of arrangements	1,825	82,180
Revaluation Reserve		
As per last Account	24,037	-
Add: Taken over pursuant to scheme of amalgamation	-	25,485
Less: Depreciation arising out of revaluation	1,434	1,448
General Reserve		
As per last Account	174,318	87,560
Transfer from Profit & Loss Account	40,000	80,000
	214,318	167,560
Add: Addition during the year	-	6,758
Profit & Loss Account	214,318	174,318
	761,488	666,397
	1,615,950	979,518

## Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011

### Schedule - E Fixed Assets

(Rs in Thousand)

Particulars	GROSS BLOCK					DEPRICIATION					NET BLOCK	
	Cost as on 01.04.10	Taken over on Amalgamation	Addition during the year	Sales	As at 31.03.11	As at 01.04.10	Taken over on Amalgamation	For the year	Adjustment for Sales	As at 31.03.11	As at 31.03.11	As at 31.03.10
<b>TANGIBLE ASSETS</b>												
Free hold land	26,880	-	-	470	26,410	-	-	-	-	-	26,410	26,880
Factory Building	207,242	52,494	44,259	-	303,994	33,575	593	8,953	-	43,120	260,874	173,668
Plant & Machinery	615,964	19,775	151,378	-	787,118	182,419	560	50,810	-	233,788	553,329	433,545
Furniture & Fixture	8,974	387	1,017	-	10,379	2,076	23	620	-	2,719	7,660	6,898
Motor Car	21,407	666	4,428	3,922	22,580	4,614	20	2,100	1,534	5,200	17,380	16,793
Scooter, Moped & Cycle	335	-	42	-	377	231	-	17	-	248	129	104
Laboratory Equipment	14,232	-	721	-	14,953	9,350	-	1,074	-	10,424	4,529	4,882
Electrical Installation	78,941	6,039	18,160	-	103,141	18,602	145	5,741	-	24,488	78,653	60,339
Office Equipment	7,458	-	1,466	-	8,925	3,347	-	545	-	3,892	5,033	4,112
Air Conditioner	3,173	-	294	-	3,466	822	-	160	-	981	2,485	2,351
Computer	8,073	119	785	-	8,976	5,783	6	839	-	6,628	2,348	2,290
<b>INTANGIBLE ASSETS</b>												
Technical Knowhow	4,090	-	2,992	-	7,081	-	-	1,117	-	1,117	5,964	4,090
<b>TOTAL</b>	<b>996,769</b>	<b>79,481</b>	<b>225,542</b>	<b>4,392</b>	<b>1,297,401</b>	<b>260,818</b>	<b>1,346</b>	<b>71,975</b>	<b>1,534</b>	<b>332,605</b>	<b>964,796</b>	<b>735,951</b>
<b>CAPITAL WORK IN PROGRESS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,386</b>	<b>47,590</b>
Previous Year	711,630	107,573	185,117	7,551	996,769	195,004	9,851	58,185	2,222	260,818	735,951	-

(Rs in Thousand)

As At	As At
March 31st, 2011	March 31st, 2010

### SCHEDULE - C

#### Secured Loans

(For Security and Other details refer note no. 7 in shedule-V)

#### From Banks

##### Term Loan\*

##### Rupee Loan from Banks

10,058

62,200

##### Foreign Currency Loan from Bank

467,500

-

##### Car Loan\*

567

2,139

##### Cash Credit and Working Capital Demand Loan

1,023,794

772,941

(Includes FCNR Loan of Rs.50000 thousands, previous year Rs.Nil)

##### Buyers' Import Credit

96,054

45,229

##### Packing Credit Loan

-

80,430

\* Amounts repayable within one year Rs.69,063 thousands

(previous year : Rs.53,714 thousands)

1,597,973

962,939



## Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011

(Rs in Thousand)

	As At March 31st, 2011		As At March 31st, 2010		
<b>SCHEDULE - D</b>					
Unsecured Loans					
From Bodies Corporate		59,154		403,672	
(Including Interest Arrrued thereon)		59,154		403,672	
 <b>SCHEDULE - F</b>					
Investments					
	Face Value				
	Rs.	No. of Shares	Amount	No. of Shares	Amount
Long Term - Trade					
Quoted					
Kalpena Plastiks Limited	10/-	2,002,920	20,029	2,002,920	20,029
Other Than Trade					
Quoted					
Dena Bank	10/-	14	1	14	1
Nicco Corporation Ltd. *	2/-	826,194	5,066	9,200	65
Unquoted					
Sterling Resorts Ltd.		-	131		131
Panchawati Holiday Resorts Ltd.	10/-	9,400	94	9,400	94
7 Year National Saving Certificate		-	30		10
5.5 Year Kissan Vikash Patra		-	10		10
Bavaria Associates Pvt Ltd **	10/-	-	-	57,050	571
			25,361		20,911
Aggregate Book Value of Investments					
Quoted					
			25,095		20,095
Unquoted					
			265		816
			25,361		20,911
Aggregated Market Value of quoted Investments					
			53,480		45,413
(*8,16,994 equity shares of Rs.2/- each for Rs.5000 thousands received as preferential allotment					
(**Cancelled pursuant to scheme of Arrangement)					
 <b>SCHEDULE - G</b>					
Inventories					
(As taken, valued and certified by the management)					
Raw Materials - at cost or net realisable value whichever is lower			401,578		343,391
Finished Goods - at cost or net realisable value whichever is lower			102,330		113,561
Stores & Spares - at cost			6,652		6,328
Stock in transit - At cost			241,533		95,499
			752,093		558,779

## Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011

*(Rs in Thousand)*

	As At March 31st, 2011	As At March 31st, 2010
<b>SCHEDULE - H</b>		
Sundry Debtors (Unsecured-considered good)		
Debts over six months	112,686	67,186
Other debts	1,613,095	1,213,828
	1,725,781	1,281,014
<b>SCHEDULE - I</b>		
Cash and Bank Balances		
Cash in Hand ( As certified by the management)	2,548	2,439
Balances with scheduled banks		
In Current Accounts	39,126	25,438
In EEFC Accounts	39,723	-
In Margin & Guarantee Deposit Accounts	104,441	91,606
In Unpaid Dividend Account	4,650	3,504
	190,489	122,987
<b>SCHEDULE - J</b>		
Loans and Advances (Unsecured -Considered good) (Recoverable in cash or kind or for value to be received)		
Loan to a Body Corporate	15,416	-
Advance payment of Income Tax (Including Tax Deduced at Source )	154,436	123,803
Sundry Deposits	10,274	8,657
Interest Receivables	11,604	3,342
Prepaid Expenses	6,699	5,187
Other Advances	91,314	157,152
Advance to Suppliers	72,392	33,888
Balance with Central Excise Authorities	89,552	51,752
	451,686	383,781
<b>SCHEDULE - K</b>		
Current Liabilities		
Acceptances*	193,314	74,455
Sundry creditors for goods	261,806	165,501
Sundry creditors for expenses	67,062	51,393
Taxes & other duties payable	2,642	3,012
Other Liabilities	1,436	7,638
Advance from customers	8,372	4,810
Overdrawn Bank balance	32	4 5
Creditors for Fixed Assets	22,015	14,884
Unclaimed Dividend**	4,650	3,504
(*Secured by way of hypothecation of stocks & book debts in favour of the company's bankers)		
(**Investors Education and Protection Fund shall be credited by the unclaimed amount when due pursuant to section 205A and 205C of the Companies Act,1956)		
	561,328	325,242

## Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011

(Rs in Thousand)

	As At March 31st, 2011	As At March 31st, 2010
<b>SCHEDULE - L</b>		
Provisions		
For Taxation (Net of MAT Entitlement)	150,785	123,571
For Leave encashment and Gratuity	2,618	7,549
For Proposed Equity Dividend	41,392	25,418
For Tax on proposed equity dividend	6,715	4,222
	201,510	160,760
<b>SCHEDULE - M</b>		
Miscellaneous Expenditure to the extent not written off or adjusted		
Preliminary Expenses		
Taken over pursuant to scheme of amalgamation	6	-
Less: Written off during the year	3	-
	3	-
<b>SCHEDULE - N</b>		
Turnover		
Gross (Sales)	9,008,424	7,657,165
Job Charges (Gross)	26,009	2,130
(Tax Deducted at Source Rs.515 thousands, Previous Year Rs.90 thousands)	9,034,432	7,659,295
Less : Excise Duty	603,784	471,253
	8,430,648	7,188,042
<b>SCHEDULE - O</b>		
Other Income		
Interest (Gross)	10,048	18,492
(Tax Deducted at Source Rs.836 thousands, Previous Year Rs.2488 thousands/-)		
Miscellaneous Receipts	4,479	5,333
Foreign Currency Fluctuation Gain ( Net)	29,498	32,214
Profit on sale of fixed Assets	839	-
Profit from trading in Commodity	322	-
Rent	12	6
	45,199	56,045

## Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011

*(Rs in Thousand)*

	As At March 31st, 2011	As At March 31st, 2010
<b>SCHEDULE - P</b>		
Increase/ ( Decrease) In Stocks		
Closing Stock of Finished Goods	102,330	113,561
Less : Opening Stock of Finished Goods	113,561	68,793
Less : Stock Taken over pursuant to scheme of amalgamation	6,607	2,558
Increase/ ( Decrease)	(17,838)	42,210
 <b>SCHEDULE - Q</b>		
Manufacturing Expenses:		
Raw Material Consumed	7,184,646	6,139,921
Repairs to machineries	10,500	6,512
Stores & Consumables	37,854	20,914
Carriage Inward	82,651	54,836
Production Overhead	22,952	13,589
Power & Fuel	124,314	94,567
Security Charges	1,658	1,286
Job Work Charges	151	457
	7,464,726	6,332,082
 <b>SCHEDULE - R</b>		
Payment and Provisions for Employees:		
Salaries Wages & Bonus	79,389	53,395
Staff Welfare Expenses	5,246	4,811
Contribution to Provident and other Funds	2,701	1,597
Gratuity	2,270	1,950
	89,606	61,753

## Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011

*(Rs in Thousand)*

	As At March 31st, 2011	As At March 31st, 2010
<b>SCHEDULE - S</b>		
Administrative, Selling and other Expenses		
Advertisement	798	623
Auditors Remuneration	575	548
Bank Charges	19,933	19,266
Bill Discounting charges	11,393	20,442
Book and Periodicals	108	75
Brokerage & Commission	2,548	3,028
Carriage Outwards	170,196	103,101
Charity & Donation	5,759	214
Clearing and Forwarding charges	62,824	43,273
Computer Processing charges	667	709
Consultancy Charges	9,268	12,158
Coolie & Cartage	13,385	10,288
Directors sitting Fees	203	232
Discount	71,474	53,489
Electrical Maintenance	3,056	1,995
Electricity Charges	821	719
Filing fees	16	413
General Expenses	1,915	2,266
Insurance Charges	6,456	5,962
L/C Charges	6,441	10,770
Laboratory Expenses	563	506
Listing Fees	506	237
Membership & Subscription	462	397
Motorcar Expenses	4,082	3,581
Postage & Stamp	1,064	872
Printing & Stationery	2,507	2,489
Rates & Taxes	4,695	1,866
Rent	8,442	7,704
Repair & Maintenance - Building	1,769	2,210
Repair & Maintenance - Others	5,127	3,797
Sales Promotion Expenses	7,856	3,942
Share Holders Service Charges	176	266
Telephone Charges	5,482	3,737
Travelling & Conveyance Expenses	12,013	8,996
Loss on Sale of Fixed Assets	-	739
Preliminary Expenses W/Off	3	-
Sundry Balances Written off (Net)	424	575
	443,007	331,485
<b>SCHEDULE - T</b>		
Interest & Finance Charges		
On Term Loan	22,249	9,326
On Others	88,523	100,244
	110,772	109,570

## Schedule Annexed to and forming part of the Balance Sheet As At 31st March,2011 and Profit and Loss Account for the year ended 31st March,2011

### Schedule - U : Significant Accounting Policies.

#### Statement of Significant Accounting Policies

##### 1 Basis of Preparation of Financial Statements

The Financial Statements have been prepared to comply in all material aspects with the notified Accounting Standards issued by the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Financial Statements are prepared under historical cost convention and on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those applied in the previous year.

##### 2 Use of Estimates

The preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statement and the result of the operations during the reporting year end. Although these assumptions are made as per the Management 's best knowledge of current events and actions, actual result may differ from these estimates.

##### 3 Fixed Assets:

- i All Fixed assets have been stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- ii Technical Know How will be amortised over a period of five years beginning from the financial year 2010-11.
- iii Foreign currency exchange differences to the extent covered under AS-11 (amended vide MCA notification no. G.S.R. 225 (E) dated 31 March 2009) on amounts borrowed for acquisition of fixed assets are adjusted to the carrying cost of the fixed asset.

##### 4 Depreciation:

Depreciation on Fixed Assets has been provided on the Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956 on prorata basis with reference to the date of addition.

##### 5 Investment:

Investments are stated at cost of acquisition and treated as long term investments.

##### 6 Borrowing Cost:

Borrowing cost that are directly attributable to acquisition and construction of qualifying asset are capitalised as part of the cost of such asset upto the date the asset is put to use. All other borrowing cost are charged to revenue on accrual basis unless otherwise stated.

##### 7 Impairments:

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal as well as external factors. An impairment loss is recognised when the carrying amount of the asset is more than its recoverable value.

##### 8 Revenue Recognition:

- i Sales are recognised on despatch to customers and include jobs charges, raw material sales & remission of Central Sales Tax and Vat Amount.
- ii Other income and expenditure are recognised and accounted on accrual basis.

##### 9 Inventories.

- i Raw materials and Stores & spareparts: Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by using the Weighted average method.
- ii Finished Goods: Lower of cost and net realisable value. Finished goods include cost of conversion and other cost incurred for bringing the inventories to their present location and condition.

#### 10 Retirement and other Employee Benefits:

- i Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.
- ii Contribution towards provident funds are recognised as expenses and are made to government administered provident fund towards which the Company has no further obligations beyond its monthly contribution. Liability towards gratuity, covering eligible employees on the basis of year-end actuarial valuation is recognised as a charge.
- iii Accrued liability towards leave encashment benefits, covering eligible employees' is recognised as charge. Contribution to Central Government administered Employees' State insurance Scheme for eligible employees is recognised as charge. Super Annuation benefit scheme is not existing in the company at present.

#### 11 Taxation:

- i Provision for current income tax is made in accordance with the Income-tax Act, 1961.
- ii Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.
- iii Provision for wealth tax liability is estimated in accordance with Wealth Tax Act, 1957

#### 12 Contingent liability:

Disclosure for contingent liabilities are considered to the extent of notices or demands received by the company.

#### 13 Earnings per Share:

The earnings considered in ascertaining the EPS of the Company comprises the Net Profit after providing for Provisions stipulated as per Accounting Standard 20(AS-20). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The diluted EPS is calculated on the same basis as basic EPS after adjusting for the effects of the potential dilutive equity shares.

#### 14 Foreign currency Transaction:

- i Transactions in the Foreign Currency are being converted into Indian currency by applying the rate prevailing on the date of occurrence.
- ii Outstanding balances of foreign currency monetary items are reported using the period end rates.

### Schedule - V : Notes on Accounts.

#### 1 Amalgamation:

- i Pursuant to the Scheme of Arrangement (the Scheme) approved by the shareholders and sanctioned by the Hon'ble High Court at Calcutta on 28th July ' 2011, under the provisions of the Companies Act, 1956 ('the Act'), the undertakings of Bavaria Poly Private Limited, the transferor company was transferred to and vested in the company as a going concern with effect from 1st April' 2010 (the Appointed Date) and accordingly the Scheme had been given effect to in these accounts. According to the said Scheme, with effect from the Appointed Date, Bavaria Poly Private Limited has carried out all their business and activities in trust for the Company till the Scheme becomes effective.
- ii In accordance with the scheme 3,20,000 number of Equity Shares of Rs. 10/- each fully paid up and ranking pari passu with the existing equity shares are to be issued by the company to the ordinary shareholders of Bavaria Poly Private Limited in the ratio of 2 (Two) equity share of Rs. 10/- each of the company for every 3 (Three) equity shares of Rs. 10/- each fully paid up held in Bavaria Poly Private Limited.
- iii The Amalgamation has been accounted for in the books of account of 'Kalpena Industries Limited' according to the pooling of interests method under Accounting Standard (AS) 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India.
- iv Accordingly on and from the Appointed Date all assets, liabilities and reserves of Bavaria Poly Private Limited transferred to 'Kalpena Industries Limited' under the Scheme and recorded in the books of accounts of Kalpena Industries Limited at their respective book value and in the same form and manner as recorded in the books of accounts of Bavaria Poly Private Limited.
- v Pending completion of relevant formalities of transfer of certain assets and liabilities acquired/transferred pursuant to the Scheme of Arrangement, such assets and liabilities remain included in the books of the company under the name of the transferor/transferee companies.

- 2 In the opinion of the management, the decline in the market value of a quoted investment (other than trade) (carrying cost Rs.5065 thousands) by Rs.2661 thousands at the year end is temporary, in the view of the strategic long term nature of the investment and asset base of the investee company and hence, does not call for any provision there against. However, there is no diminution in the value of long term quoted investments, if market value of the investment taken together.
- 3 Information required by para 3 and 4 of part II of Schedule VI of the Companies Act, 1956.

i Particulars in respect of Goods manufactured :

Particulars	Unit	*Installed Capacity		Production	
		2010-11	2009-10	2010-11	2009-10
PVC Compound	MT	51,000	40,000	36,915	39,216
PE Compound	MT	103,500	87,000	73,110	60,607
PVC Sole & Hawai Chappal	Pairs/kg	8,500,000	8,500,000	-	5,298,796
**Agglomerates	MT	16,000	N I L	3,713	N I L
**Reprocessed Granules	MT	1,000	N I L	481	N I L
Scrap	MT	N.A.	N.A.	1,785	1,576

\*Installed Capacity is certified by the Management and not verified by Auditors being technical matter.

\*\*Includes the Installed capacity of transferrer Company.

ii Particulars in respect of sales of Goods manufactured :

Particulars	unit	2010-11		2009-10	
		Quantity	Value	Quantity	Value
PVC Compound	MT	36,762	2,530,539	39,366	2,290,772
PE Compound	MT	73,239	4,947,805	59,960	4,070,160
PVC Sole & Hawai Chappal	Pairs/kg	-	-	5,322,296	592,413
Agglomerates	MT	3,800	123,323	N I L	N I L
Reprocessed Granules	MT	475	16,219	N I L	N I L
Scrap	MT	1,673	11,443	1,593	12,796
Others	MT	-	1,379,095	-	693,154
Total			9,008,424		7,659,295

iii Particulars in respect of Closing Stock:

Particulars	unit	2010-11		2009-10	
		Quantity	Value	Quantity	Value
PVC Compound	MT	257	15,830	104	5,854
PE Compound	MT	1,541	80,922	1,670	106,231
PVC Sole & Hawai Chappal	Pairs/kg	-	-	-	-
Agglomerates	MT	69	2,924	N I L	N I L
Reprocessed Granules	MT	11	488	N I L	N I L
Scrap	MT	335	2,167	223	1,476
Total			102,330		113,561



## iv Particulars in respect of Opening Stock:

Particulars	unit	2010-11		2009-10	
		Quantity	Value	Quantity	Value
PVC Compound	MT	104	5,854	254	11,622
PE Compound	MT	1,670	106,231	1,023	57,563
PVC Sole & Hawaii Chappal	Pairs/kg	-	-	23,500	681
Agglomerates	MT	156	6,403	-	-
Reprocessed Granules	MT	5	203	-	-
*Scrap	MT	223	1,476	240	1,485
Total			120,168		71,351

\*includes stock taken over pursuant to scheme of Amalgamation.

## v Particulars in respect of Consumption of Raw Materials:

Particulars	unit	2010-11		2009-10	
		Quantity	Value	Quantity	Value
PVC Compound	MT	104	5,854	254	11,622
PVC Resin	MT	18,984	951,992	20,678	941,325
LLDPE & LDPE	MT	48,529	3,247,399	46,904	3,024,622
Plastic Scrap	MT	4,848	166,390	-	-
Others		-	2,818,865	-	2,173,974
Total			7,184,646		6,139,921

## 4 Value of Imported and Indegenous Raw Materials, Stores and Spare Parts consumed.

Particulars		2010-11		2009-10	
		Rs.	% of Total Consumption	Rs.	% of Total Consumption
Stores					
i Imported		205	1%	754	4%
ii Indegenious		37,649	99%	20,160	96%
		37,854	100%	20,914	100%
Raw Materials					
i Imported		2,482,595	35%	1,984,371	32%
ii Indegenious		4,702,051	65%	4,155,550	68%
Total		7,184,646	100%	6,139,921	100%

## 5 Value of Imports Calculated on CIF basis.

Particulars	2010-11	2009-10
Raw Materials	2,521,040	2,036,183
Capital Goods	41,753	69,731
Stores and Spares	205	561
Total	2,562,998	2,106,475

## 6 Capital Commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for is amounting to Rs.20447 Thousands (Previous Year Rs.32188/- thousands). (Net of advances)

## 7 Secured Loans.

## i Term Loan From State Banks of India &amp; Dena Bank:

These Loans are secured by first charge created by way of mortgage of company's Land and Building and other fixed assets located at D-403, Dharam Palace, CHS limited, Shantivana, Borivalli (E), Mumbai-400066, on first Pari-passu basis.

## Foreign Currency Loan From Standard Chartered Bank:

Secured by exclusive charge on existing movable and immovable assets of Bhasa Unit in Kolkata and Silvassa Unit-I, Exclusive charge on all movable fixed assets of Kandua Unit, Kolkata, Exclusive charge on all movable assets of Bhiwadi Unit.

## ii Cash Credits and working capital demand from Banks:

a Is secured by way of hypothecation of stocks of raw materials, work-in-progress, finished goods, stores & spares and book debts of the Company.

b Mortgage of Flat located at D-403, Dharam Palce, CHS limited, Shantvaan, Borivalli (E), Mumbai-400066, on First Pari-passu basis.

c These loans are further secured by a second charge over the residual value on the Fixed assets of the units both present and future located at the Dabhel Industrial area, Daman.

## iii Car Loan

Car Loan is secured by Hypothecation against Motor Car.

## 8 Contingent Liability not Provided in the books:

Particulars	2010-11	2009-10
Letter of Credit	676,932	213,408
Bank Guarantee	48,760	23,083
Excise Duty demands pending in appeal with CEGAT	1,330	1,330
Penalty levied by Excise Authorities	1,605	1,605
<b>Total</b>	<b>728,627</b>	<b>239,426</b>

## 9 Sundry Debtors/ Creditors:

Closing Balances of Sundry Debtors, advances, other receivables and Creditors are subject to confirmation to be obtained from parties. The company has initiated procedures for obtaining confirmation from such parties.

## 10 Sundry Creditors:

Details of dues to Micro and Small Enterprises as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, based on the available information with the Company are as under:

Particulars	2010-11	2009-10
(i) Principal amount as at the end of the year	Nil	5,571
Interest thereon as at the end of the year	Nil	Nil
(ii) Amount paid beyond the respective due date during the year	Nil	Nil
Interest paid thereon in terms of Sec.16 during the year	Nil	Nil

## 11 Particulars of forward contract outstanding and un-hedged foreign currencies exposure:

Particulars		2010-11	2009-10
i) Forward Contract outstanding			
Foreign Currency Loan	USD	10,000,000	Nil
	INR	467,500	Nil
ii) Un-hedged Foreign Currency Exposure			
a) Current Liabilities - Sundry Creditors	USD	2,639,066	2,513,893
	INR	117,834	114,608
	EURO	10,243	Nil
	INR	648	Nil
	AED	1,855,656	Nil
	INR	22,472	Nil
b) Current Assets - Sundry Debtors	USD	3,408,893	871,142
	INR	152,207	38,705
	AED	100,553	Nil
	INR	1,218	Nil

## 12 Expenditure in foreign currency (accrual basis)

Particulars	2010-11	2009-10
Travelling	2,083	1,972
Exhibition	2,146	-
Others	1,965	-
Total	6,194	1,972

## 13 Earning in foreign currency (accrual basis)

Particulars	2010-11	2009-10
Exports at F.O.B. Value	625,693	265,452
Exchange Fluctuation	29,498	32,160
Total	655,191	297,612

## 14 Segment reporting:

- i Primary Segment (Business Segment): The Company operates in a single reportable segment (i.e. Manufacturing and sale of PVC and XLPE compound, which have similar risk and returns for the purpose of AS 17 on 'Segment Reporting' issued by ICAI.
- ii Secondary segment (by Geographical demarcation):

Particulars	2010-11	2009-10
Segment Revenue:		
Domestic	7,804,955	6,922,590
Overseas	625,693	265,452
Segment Debtors:		
Domestic	1,584,915	1,241,322
Overseas	140,866	39,692

Note: The Company has common assets for producing goods for domestic market and overseas markets. Hence, separate figures for other assets / additions to other assets has not been furnished.

## 15 Salary, Wages &amp; Bonus includes Directors Remuneration:

Account Head	2010-11	2009-10
Salary	960	960
Allowances	480	480
Total	1,440	1,440

## 16 Employee Benefits:

- i Provision for defined contribution plan viz. Provident and Other Fund amounting to Rs.2701 thousands (Previous Year Rs.1597 thousands) has been charged to the Profit and Loss Account during the year.
- ii Description of type of employee benefits: The Company offers to its employees defined benefits plans in the form of Gratuity and leave encashment. Fund is created for payment of gratuity. However, no fund is created for payment of leave wages, the Company would pay the same out of its own funds as and when the same becomes payable.

(Rs. in '000')

Particulars	Year Ended 31st March 2011	Year Ended 31st March 2010
Changes in present value of obligation		
Present value of obligation as at beginning of the year	5,665	4,071
Add: Present obligation of transferor company	36	44
Interest cost	470	332
Current service cost	1,248	985
Past Service Cost	-	260
Benefits paid	(103)	(401)
Actuarial (gain) / loss on obligation	753	374
Present value of obligation as at end of the year	8,069	5,665
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	210	-
Contributions	5,353	401
Benefits paid	(103)	(401)
Actuarial (loss) / gain	(9)	-
Fair value of plan assets at the end of the year	5,451	-

- iii Para 132 of AS-15 (Revised 2005) does not require any specific disclosure except where expenses resulting from compensated absence is of such size, nature or incidence that disclosure is relevant under Accounting Standard 5 or Accounting Standard 18 and accordingly the expenses resulting from compensated absence is not significant and hence no disclosures are given under various paragraphs of AS-15.

## iv Expenses recognised in the profit and loss account

Particulars	Year Ended 31st March 2011	Year Ended 31st March 2010
Current service cost	1,248	985
Past Service Cost	-	260
Interest cost on benefit obligation	470	332
Expected Return on Plan Assets	(210)	-
Net actuarial (gain) / loss recognised in the year	762	374
Expenses recognised in the profit and loss account	2,270	1,951

v The principal assumptions used in determining gratuity and leave encashment for the Company's plans are shown below:

(Rs. in '000')

Particulars	Year Ended 31st March 2011	Year Ended 31st March 2010
Discount Rate	8.30%	8.30%
Expected Rate of return on Asset	0.00%	0.00%
Future Salary Escalation Rate	7.00%	7.00%
Mortality Rate	LIC-1994-96	LIC-1994-96

\*The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## 17 Related Party Transactions:

As per Accounting Standard 18 (AS-18) on related party disclosure issued by the Institute of Chartered Accountants of India, the transaction with related parties of the company are as follows.

(Rs. in '000')

Name	Nature of Relationship	Nature of Transaction	Transaction during the Year 31.03.2011	Outstanding as on 31.03.2011
Narrindra Suranna	Vice chairman and Managing Director	Remuneration	1,440	-

## 18 Earnings Per Share:

Year Ended	March 31, 2011	March 31, 2010
a) Net Profit after Tax for basic earnings per Share (Fully Attributable to Equity Share Holders)	191,322	299,063
Adjustments for the purpose of Diluted earnings per Share	-	-
Net Profit after Tax for Diluted earnings per Share.	191,322	299,063
b) Weighted average number of equity Shares for Earning per Share Computation		
i Number of equity Shares at the beginning of the Year	11,554	11,554
ii a) Number of equity Shares allotted during the Year	6,941	-
b) Number of Equity Shares to be allotted on amalgamation.	320	941
iii weighted average Number of Equity Shares allotted during the year.	4,779	-
iv Number of Potential Equity Shares	-	-
v Weighted average for:		
a) Basic Earning per Share	16,332	11,554
b) Diluted Earning per Share	16,332	12,495
c) Earning Per Share		
i Basic	11.71	25.88
ii Diluted	11.71	23.94
d) Face Value Per Share	Rs.10	Rs.10

## 19 Deferred Tax Liability:

Components of net deferred tax liability:

Particulars	March 31, 2011	March 31, 2010
Deferred tax liability		
Differences between written down value in block of fixed assets as per tax books and financial books.	101,648	79,357
Deferred tax asset		
Carry forward Losses as per Income Tax Act		(2,856)
Effect of expenditure debited to profit and loss account in the current / earlier years but allowable for tax purposes in following years.	(1,115)	(2,565)
Net Deferred tax liability	100,533	73,936

## 20 Auditors' Remuneration:

This Includes

Year Ended	March 31, 2011	March 31, 2010
a) For Statutory Audit	270	270
b) For Tax Audit Fees	55	55
c) For Others & Out of Pocket Expenses	250	223
Total	575	548

- 21 National Saving Certificates, Kishan Vikas Patra and Fixed Deposits are disclosed as deposit under the head Cash and Bank Balances have been lodged with various authorities as margin deposit and security money.
- 22 There was no impairment loss on Fixed Assets on the basis of review carried out by management in accordance with Accounting Standard issued by the Institute of Chartered Accountants of India.
- 23 There are no amount due and outstanding to be credited to Investor Education and Protection Fund.
- 24 Provision for Income Tax has been made u/s 115JB of the Income Tax Act 1961
- 25 Consequent to effectuation of the scheme of amalgamation referred to in note 1 above, current year figures includes figures of erstwhile Bavaria Poly Private Limited, as such the corresponding figures of the previous year are not directly comparable with those of the current year.
- 26 Previous Year's figures are regrouped or rearranged wherever necessary to conform to this year's classification.
- 27 Figures in the Schedules have been rounded off to the nearest Thousand.

As per our Report of even date annexed herewith

For D. C. Dharewa & Co.  
*Chartered Accountants*  
 Firm Registration No:322617E  
*D. C. Dharewa*  
*Proprietor*  
 Membership No.53838  
 Date : 29th September, 2011  
 Place : Kolkata

For and on behalf of the Board

D. C. Surana <i>Chairman</i>	Narrindra Suranna <i>Vice Chairman and Managing Director</i>
A. B. Chakrabartty <i>Company Secretary</i>	

## Balance Sheet Abstract and Company's General Business Profile FOR THE YEAR ENDED 31.03.2011

## i) Registration details :

Registration No. :  State Code :

Balance Sheet As on 31st March, 2011

## ii) Capital Raised During the Year ( Amount in Rs.'000' )

Public Issue

Bonus Issue

Right Issue

Private Issue

## iii) Position of mobilisation of Fund ( Amount in Rs. '000' )

Total Liabilities

Total Assets

Sources of Funds :

Paid up Capital

Reserve & Surplus

Share Capital Suspense

Unsecured Loan

Secured Loans

Deferred Tax Liabilities

Application of Fund :

Net Fixed Assets

Investment

Net Current Assets

Misc.Expenditure

## iv) Performance of Company (Amount in Rs.'000')

Turnover

Total Expenditure

Profit before tax

Profit after tax

Earning Per Share (Basic)

Dividend Rate (%)

Earning Per Share (Diluted)

Dividend Rs.per share

v) Generic Names of Products/Services of Company  
(As per monetary terms )

Item Code No.  
(ITC Code )

Product Description Manufacturing of PVC Compound

Item Code No.  
(ITC Code )

Product Description Manufacturing of XLPE Compound

Item Code No.  
(ITC Code )

Product Description Hawai Chappal

Item Code No.  
(ITC Code )

Product Description PVC Sole (Part of Hawai Chappal)

For D. C. Dharewa & Co.  
*Chartered Accountants*  
Firm Registration No:322617E  
*D. C. Dharewa*  
*Proprietor*  
Membership No.53838  
Date : 29th September, 2011  
Place : Kolkata

For and on behalf of the Board

D. C. Surana  
*Chairman*

Narrindra Suranna  
*Vice Chairman and*  
*Managing Director*

A. B. Chakrabartty  
*Company Secretary*