



# Kkalpana Industries (India) Limited

(Formerly Kalpena Industries Ltd.) Date: 17.03.2015

To,  
The Manager,  
Listing Department,  
The Bombay Stock Exchange Limited (Designated Stock Exchange)  
PJ Towers, Dalal Street,  
Mumbai – 400 001

## Sub: Change of Name of the Company.

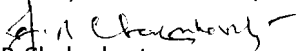
Dear Sir,

This is to inform you that the name of the Company has been changed from “Kalpena Industries Limited” to “Kkalpana Industries (India) Limited” with effect from 09.03.2015 vide fresh certificate of incorporation dated 09<sup>th</sup> March, 2015, issued by the Registrar of Companies (ROC), West Bengal. We are enclosing herewith following documents as per your requirements for effecting the change in the name of the Company.

1. Certified copy of Fresh Certificate of Incorporation Issued by ROC.
2. A statement of detailed reason for change of name of the Company.
3. Three copies of specimen of printed stickers for affixing on the share certificates.
4. Copy of receipt of payment of the Annual Listing Fees for the F.Y.- 2014-15.
5. Undertaking from Company Secretary that the share certificates not corrected with the new name shall also be good delivery in the market.
6. Undertaking from Company Secretary that the Company will affix the stickers bearing the new name as and when the security certificates are lodged with the Company or with RTA for transfer, split, consolidation etc..
7. A note about the current line of Business of the Company.
8. The name of the Company was lastly changed to Kalpena Industries Limited on 14.10.2008.
9. There is no change in the present business/ activities of the company.
10. As the company has not changed its business activates due to this change of name, certificate from Auditors is not required.
11. A copy of Annual Report for the year 2014.
12. A DD for Rs. 28090/- vide DD no.357916 dated 11.03.2015, in your favour towards processing fees.
13. The Company's equity shares presently listed with BSE Ltd and CSE Ltd.
14. The Cell No. Of the Company Secretary is 09874245527 and email id is [abchakrabarty@kkalpana.co.in](mailto:abchakrabarty@kkalpana.co.in)

Thanking you,

Yours faithfully,  
For Kkalpana Industries (India) Limited

  
A.B. Chakrabarty  
(Company Secretary)



Regd. Office : 28, Victoria Street, Kolkata - 700 071

Tel. : +91-33-2282 3744/45/3671/99, Fax : +91-33-2282 3739, E-mail : [kolkata@kkalpana.co.in](mailto:kolkata@kkalpana.co.in)

Mumbai Office : 108, Centre Point, 1st Floor, J. B. Nagar, Andheri - Kurla Road, Andheri (E), Mumbai - 400 059

Tel. : +91-22-4012 1470/71/72, Fax : +91-22-4012 1473, E-mail : [mumbai@kkalpana.co.in](mailto:mumbai@kkalpana.co.in)

[www.kkalpanagroup.com](http://www.kkalpanagroup.com)

CIN : L19202WB1985PLC039431



GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Kolkata

Nizam Palace , 2nd MSO Building , 2nd Floor , 234/4, A.J.C.Bose Road Kolkata - 700020, West Bengal, INDIA

**Certificate of Incorporation pursuant to change of name**  
**[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]**

Corporate Identification Number (CIN): : L19202WB1985PLC039431

I hereby certify that the name of the company has been changed from KALPENA INDUSTRIES LIMITED to KKALPANA INDUSTRIES (INDIA) LIMITED with effect from the date of this certificate and that the company is limited by shares.

Company was originally incorporated with the name KALPENA INDUSTRIES LIMITED

Given under my hand at Kolkata this Nineth day of March Two Thousand Fifteen.

Validity unknown  
Digitally signed by  
REGISTRAR OF COMPANIES  
WEST BENGAL (1)  
Date: 2015.03.09 17:16  
GMT+05:30

BIBEKANANDA MOHANTY  
Registrar of Companies  
Registrar of Companies  
Kolkata

Mailing Address as per record available in Registrar of Companies office:

KKALPANA INDUSTRIES (INDIA) LIMITED  
2B PRETORIA STREET, KOLKATA - 700071,  
West Bengal, INDIA

*Certified to be true & correct*  
For Kkalpana Industries (India) Limited

*J. N. Chatterjee*  
Company Secretary




# Kkalpana Industries (India) Limited

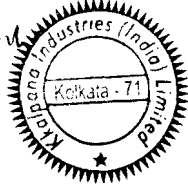
(Formerly Kalpena Industries Ltd.)

## Statement of detailed reason for Change of Name of the Company.

The Board of Directors at their meeting held on 14<sup>th</sup> November, 2014 had recommended the change of the name of the Company after taking into consideration the numerology factor. Further, directors are of the opinion that, the new name (Kkalpana Industries (India) Limited) will be more effective for company's growth prospects as compared to its present name. Accordingly, the Company had applied to ROC after getting approval from shareholders and the ROC had granted the new name vide fresh certificate of Incorporation dated 09.03.2015.

For Kkalpana Industries (India) Limited

  
A B Chakrabarty  
(Company Secretary)



Regd. Office : 2B, Pretoria Street, Kolkata - 700 071

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CIN : L19202WB1985PLC039431



*Kkalpana Industries (India) Limited*



*Kkalpana Industries (India) Limited*



*Kkalpana Industries (India) Limited*



04c

# Kalpena Industries Limited

Date : 02<sup>nd</sup> May, 2014

To,  
The Manager,  
Listing Department,  
Bombay Stock Exchange Ltd. (Designated Stock Exchange)  
PJ Towers, Dalal Street,  
Mumbai- 400 001

*Fax: 022 – 2272 3121/2037/39/41/61/1072*

Re: Payment of Annual Listing Fees for the F.Y.2014-2015.  
Ref: ALF201415-4319, dated 01.04.2014.

Dear Sir,


This is with reference to the captioned subject enclosed please find herewith a Cheque of Rs.102360 /- bearing No. 002133 dated 29.04.2014, drawn on HDFC Bank Ltd, towards payment of Annual Listing Fees in terms of Clause 38 of the Listing Agreement for the Financial Year 2014 – 2015.

Kindly acknowledge the receipt of the same.

Thanking You,


Yours faithfully,

For Kalpena Industries Limited

  
Authorised Signatory

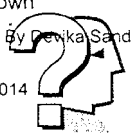
Encl : a / a

## INVOICE

<b>BSE Ltd.,</b> 25 th Floor, P. J. Towers, Dalal Street , Fort, Mumbai - 400 001  Tel: 022-22721233 / 34	
Invoice No.: ALF201415-4319	Invoice Date: 01-APR-14
<b>KALPENA INDUSTRIES LTD</b>	<b>Company Code : 4319</b>
<b>2B</b>	
<b>Pretoria Street, Pretoria Street</b>	
<b>KOLKATA, WEST BENGAL - 700071</b>	

No.	Particulars	Amount In Rs.
1.	Annual Listing Fee payable for the year 2014-2015 - Equity & Preference Share Capital	1,00,000.00
2.	Service Tax payable for the year 2014-2015 Basic Service Tax @ 12% Educational Cess @ 2% Higher Education Cess @ 1%	12,000.00 240.00 120.00
3.	Arrears of annual listing fees upto the year 2013-2014 Arrears of interest on annual listing fees upto the year 2013-2014 Other Outstanding	0.00 0.00 0.00
	<b>Total Listing Fees Payable</b>	<b>1,12,360.00</b>

Listing fees for the year 2014-2015 has been calculated on the basis of your company's capital details as per Annexure I.

<b>Registrations:</b>  MVAT R.C. NO. : 27110371931V w.e.f 01/04/2006 CST R.C NO. : 27110371931C w.e.f 01/04/2006 PAN : AACCB6672L SERVICE TAX Reg No : AACCB6672LST001	
<b>Declaration :</b>  We hereby certify that our registration certificate under the Maharashtra Value Added Tax Act, 2002 is in force on the date on which the sale of goods specified in this Tax Invoice is made by us and that the transaction of the sale covered by this Tax Invoice has been effected by us and it shall be accounted for the turnover of sales while filing of return and the due tax, if any payable on the sale has been paid or shall be paid.	<b>For BSE LTD.</b> Validity unknown Digitally Signed By Dewika Sandeep Shah (BSE LIMITED) Date : 02-Apr-2014  Authorised Signatory

**(This is a Digitally Signed Document)**

ANNEXURE I  
(Capital in Lac)

**Equity & Convertible Pref Capital**

Sr No	Instrument type	Capital
1.	Equity	1881.45860
2.	Preference Capital	0.00000
3.	Fully Convertible Debenture	0.00000
4.	Partly Convertible Debenture	0.00000
Total		1881.45860

## ANNEXURE - II

1. While remitting the funds through RTGS/NEFT please incorporate the following Beneficiary details
  - a. Beneficiary Name : BSE LTD
  - b. Credit Account Number : BSEALF4319
  - c. IFSC Code : HDFC0000240
  - d. Centre : Mumbai
  - e. Bank : HDFC Bank
  - f. Branch : Fort
  - g. Account Type : Current Account
2. Remittance through Cheque/Demand Draft should be in favour of BSE Limited, please attach Annexure III (duly filled in) along with the Cheque/Demand Draft. **PLEASE MENTION THE INVOICE NUMBER ON THE REVERSE OF THE CHEQUE/DEMAND DRAFT.**
3. For remittance through RTGS/NEFT you are requested to email a soft copy of Annexure III (duly filled in) to [listing.commercial@bseindia.com](mailto:listing.commercial@bseindia.com).
4. The aforesaid ALF payable is calculated on the basis of the listed capital available with us. If the listing fees payable as per the company works out to be different, you are requested to make payment accordingly together with details of your latest capital structure.
5. The schedule of the Listing Fee for the year 2014-15 is available on the BSE Website at [http://www.bseindia.com/Static/about/listing\\_fees.aspx?expandable=2](http://www.bseindia.com/Static/about/listing_fees.aspx?expandable=2) for your reference.
6. Soft copy of the bill can also be downloaded from <http://listing.bseindia.com>
7. The due date for payment of listing fee for the year 2014-15 is April 30, 2014 and failure to pay the listing fee before the due date i.e. 30/04/2014 will attract imposition of interest @12% per annum w.e.f. May 01, 2014.
8. Companies may please note that incase of TDS, failure of notification and failure to submit of the TDS certificate and non-reflection of TDS in 26AS of BSE Limited, within the prescribed time as per the Income Tax Act will be treated as short payment of Fees.
9. Please note that in case of suspended companies, payment of Annual Listing Fee does not automatically qualify the company for revocation of suspension.
10. For any clarification Email us on [listing.commercial@bseindia.com](mailto:listing.commercial@bseindia.com)



Annexure - III

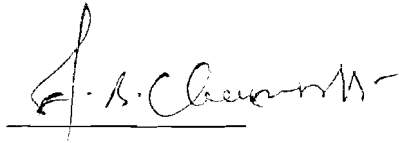
To,  
Unified Business Commercial  
BSE Limited  
27<sup>th</sup> Floor, P.J. Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

**Subject: Payment of Annual Listing Fee for Financial year 2014-2015**

Company Code	4319
Company Name	KALPENA INDUSTRIES LTD
Invoice No	ALF201415-4319
Total Amount Billed	112360

Following information has to be filled in by the company:

Fees Remitted	Rs. 102360/-
Amount of TDS, if any	Rs. 10000/-
Cheque No/ DD No & date (where applicable)	002133, dated 29.4.14
RTGS/NEFT UTR Ref No. & date	N/A



Authorized Signatory

**Notes :**

1. Please mention the Invoice Number on the Reverse of Cheque/Demand Draft.
2. Incase of RTGS/NEFT, you are requested to send a soft copy of the annexure to [listing.commercial@bseindia.com](mailto:listing.commercial@bseindia.com)



2/6 SARAT BOSE ROAD, CENTRAL PLAZA  
KOLKATA - 700 020, WEST BENGAL  
RTGS / NEFT IFSC : HDFC0000014

2 9 0 4 2 0 1 4

Valid for 3 months only

XXXXXXXXXX

or Dealer  
या धारक को

Pay BSE LTD

Rupees रुपये One lakh two thousand three hundred sixty only

अदा करें

₹ 102,360.00

A/c No.

खाता क्र.

00140420001053

C/A

Payable at par through clearing/transfer at all branches of HDFC BANK LTD

For KALPANA INDUSTRIES LIMITED

A/C PAYEE ONLY

Authorised Signatories

Signature of Authorised Signatory

⑈002133⑈ 7002400031: 903910⑈ 30




# Kkalpana Industries (India) Limited

UNDERTAKING

(Formerly Kalpena Industries Ltd.)

I, MR. A.B.CHAKRABARTY, COMPANY SECRETARY OF KKALPANA INDUSTRIES (INDIA) LIMITED DO HEREBY UNDERTAKE THAT THE SHARE CERTIFICATES NOT CORRECTED WITH THE NEW NAME OF THE COMPANY SHALL ALSO BE GOOD DELIVERY IN THE MARKET, AS PER THE GUIDELINES FOR GOOD AND BAD DELIVERY OF DOCUMENTS, APPROVED BY SEBI.

For Kkalpana Industries (India) Limited

  
A B Chakrabarty  
(Company Secretary)



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CIN : L19202WB1985PLC039431



# Kkalpana Industries (India) Limited

UNDERTAKING

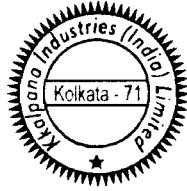
(Formerly Kalpena Industries Ltd.)

I, MR. A.B.CHAKRABARTY, COMPANY SECRETARY OF Kkalpana INDUSTRIES (INDIA) LIMITED DO HEREBY UNDERTAKE THAT THE COMPANY WILL AFFIX THE STICKERS BEARING THE NEW NAME OF THE COMPANY AS AND WHEN THE SECURITY CERTIFICATES ARE LODGED WITH THE COMPANY OR WITH ITS TRANSFER AGENT FOR TRANSFER, SPLIT, CONSOLIDATION, ETC..

For Kkalpana Industries (India) Limited

*A. B. Chakrabarty*

A/B Chakrabarty  
(Company Secretary)



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# Kkalpana Industries (India) Limited

(Formerly Kalpena Industries Ltd.)

## Brief details about the current line of business of the Company.

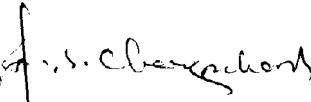
The Company is presently engaged in the business of manufacturing of PVC Compound having installed capacity of 19,800 MT per annum, PE Compounds with an installed capacity of 48,000 MT per annum, PVC soles and Hawaii Chappals with an installed capacity of 85,00,000 pairs per annum. The manufacturing plants of the Company are located at :

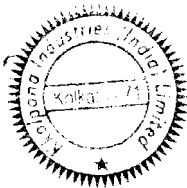
- (i) Kolkata Works : Village – Bhasa, No. 14, P.O. & P.S. Bishnupur, Diamond Harbour Road, 24 Parganas (S) – 743503
- (ii) Daman Works : 168/151-158, Dhabel Industrial Co-Operative Society Ltd, Daman – 396210.
- (iii) Darda Works (I) : Survey No. 24/3, Village – Demini, Demini Road, Darda & Nagar Haveli – 396193.
- (iv) Surangi Works :- Survey No. 320/1/1/2/2, Vill - Surangi, Chikhali Road, Silvassa - - 396 240 ( Dadra & Nagar Haveli).

Company is a leader in PVC compounding. It has setup units to manufacture specialty compounds like Silance and Peroxide based XLPE, zero halogen FRLS, NBR/PVC, anti-fabrication, semi-conductive, automotive, cross linkable EVA foam compound and also additive master batches for both National and International markets. Further the group is diversifying into manufacturing of primary and secondary plasticizer and Engineering Plastic Compounds.

In addition to this it is basically engaged in manufacturing of (1) Cable Compounds like Moisture curable Saline Grafted XLPE, Peroxide XLPE, Semicon for both types of XLPE, PE Compound for Ariel Bunched Cable, Fire Retardant Compounds based on PVC, HFFR, Zero Halogen, Black Jacketing Compounds for telecom, (2) Master Batches & Specialty Compounds Like Wide range based on PE and PP - Application includes Raffia Tape, films, moulded and extruded plastic products, (3) Pipe Compounds like Wide range based on PVC, PP-R and moisture curable XLPE - Application include irrigation pipes, hot and cold water distribution pipes and (4) Footwear Compounds like Wide range based on PVC, TPR, EVA for foamed / compact shoe – soles and uppers.

For Kkalpana Industries (India) Limitedp

  
A B Chakrabarty  
(Company Secretary)



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CIN : L19202WB1985PLC039431



# *Kalpena Industries Limited*

An ISO 9001 Company

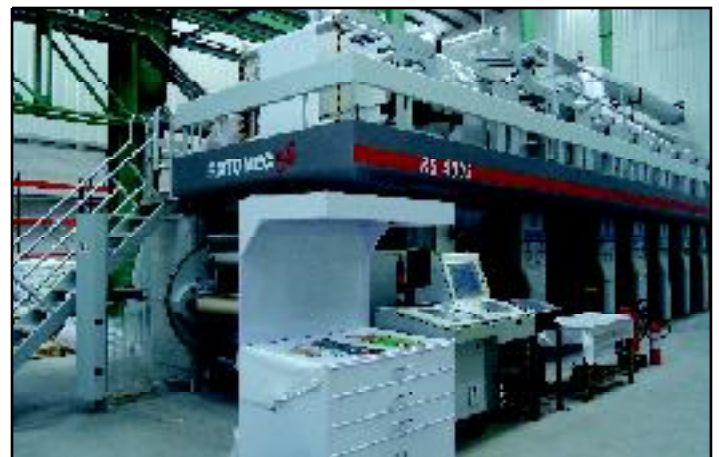
*What you dream...*

*We compound into reality.*



ANNUAL REPORT  
2013 - 2014





# Corporate Information

## Board of Directors

(As on 13th August, 2014)

### Chairman and Managing Director

Mr. Narrindra Suranna

### Whole-Time-Directors

Mr. Rajesh Kumar Kothari

### Non- Executive Directors

Mr. Nirmalendu Guha

Mr. Nilay Guha

### Senior President

Mr. Jitendra Tiwari

### Chief Financial Officer

Mr. I. C. Dakalia

### Company Secretary

Mr. A.B.Chakrabartty

### Plant Location

Dhullagargh, Santragachi (W.B.)  
Bhasa, Diamond Harbour Road (W.B.)  
Falta SEZ, (W.B.)  
Daman (Union Territory)  
Dadra I & II (Union Territory)  
Bivadi, Delhi  
Dankuni, (W.B.)

### Registered Office

2B, Pretoria Street, Kolkata – 700 071  
Tel: 91 - 33 - 2282 3744 / 3745  
Fax: 91 - 33 - 2282 3739  
E mail : [kolkata@kalpena.co.in](mailto:kolkata@kalpena.co.in)  
[www.kalpenagroup.com](http://www.kalpenagroup.com)

### Auditors

#### *Statutory Auditors*

M/s B. Mukherjee & Co.  
Chartered Accountants

#### *Internal Auditors*

M/s D K D & Associates  
Chartered Accountants

#### *Cost Auditors*

M/s D. Sabyasachi & Co.  
Cost Accountants

### Bankers

Dena Bank	Indusind Bank
State Bank of India	DBS Bank
Standard Chartered Bank	DCB Bank
HSBC Bank	Axis Bank
HDFC Bank	Citi Bank
ICICI Bank	RBL Bank

### Registrar & Share Transfer Agent

M/s. C B Management Services (P) Ltd.  
(Unit Kalpena Industries Ltd),  
P-22, Bondel Road,  
Kolkata - 700 019  
Tel : 91 - 33 - 2280 6692/93/94/2486/4011 6700  
Fax : 91 - 33 - 2287 0263  
E mail : [rta@dbmsl.co](mailto:rta@dbmsl.co)

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# Board of Directors

## **Narrindra Suranna**

Mr. Narrindra Suranna, aged around 52 years, is a B.Com (Hons.), and LL.B from Calcutta University. He also has done his MBA from Harvard University (correspondence course). Currently, he is holding the position of Chairman & Managing Director of the Company. He has been associated with the Company since inception. He has got wide experience in Plastic Industry. Due to his able leadership the Company has reached its present height.

## **Nirmalendu Guha**

Mr. N.Guha, aged about 81 years, an engineer by profession, has been associated with the Company in the capacity of Independent Director and Chairman of Audit Committee of the Board. Mr. Guha has received his engineering degree from India and UK. His qualification include M.Tech (P.Eng & Mgt.), C.Eng, FIE (India), FI Plant E (UK), Hon FIE, MMFI. Mr. Guha has wide experience in the Corporate world and has held distinguished positions in prestigious companies. He has remained Vice – Chairman and Managing Director of IFB Agro Industries and Chief Executive – MD and CM of Tea Trading Corporation of India.

## **Rajesh Kumar Kothari**

Mr. Kothari, aged about 50 years, a Graduate (B.Com) from Rajasthan University, Ajmer, has more than 25 years of experience in the areas of marketing, after sale service and market research. He started his career in the year 1985 at Kanoria Chemicals & Industries Limited. He has been associated with Kalpena since 1997.

## **Nilay Guha**

Mr. Nilay Guha, aged about 50 Years, is a MBA and presently working as a Managing Director with Markem-Imaje Australia Pty Ltd. He has over 20 years of Experience in Sales and Marketing. He started his career in ICI India Limited in the year 1992 -96.



## Chairman's Message

### Dear Shareholders,,

Warm greetings to you all;

I heartily invite you all to the 29th Annual General Meeting of your Company and once again take this opportunity to present the excellent financials of your company for 2013-14.

The plastic Industry faced considerable setback during the year 2013-14. Because of steep depreciation of rupee, which reached all time high, the polymer prices were very volatile which adversely affected the input cost your company resulting in thin margins.

Despite these facts, the Company has reported highest ever sales turnover of Rs. 1245 Crores during the period under review. Profit after tax is marginally low. It stands at Rs. 19.48 Crores as compared to Rs. 19.97 Crores in previous year. In fact, jump in input cost and financial costs were largely offset by improved operational efficiency.

Your Company continues to march ahead in its vision to remain as the leading manufacturer of Polymer compounds in the country. You will be glad to know that your Company has diversified in to new area of Flexible Packaging. The unit has been set up at Dankuni, West Bengal. The commercial production has already been started. Your company has also commenced full scale marketing activities with its target customers so that the plant would be able to deliver quality products to prospective customers in multiple segments in the shortest possible time. As a backward integration, Kalpena has also invested in manufacturing of Industrial Ink at Bhasa, West Bengal, where commercial production has already started. Both these activities will auger well for your company both in terms of top line and bottom line.

In its drive towards the strategic expansions, your Company has commissioned a new production unit at Surangi, with capacity of handling 200,000 TPA of its products. This unit is spread over an area of approximately 56000 square metres and having FSI available to the extent of 500,000 square metres of construction. The production capacities of Bhiwadi and Daman unit have been shifted to the new unit. The new unit produces various grades of Compounds which include XLPE, HFFR, Filled PP for furniture & appliances, Filled PE Compounds for antifab used for Woven Sack, White & Black Master Batches, Rigid and Flexible PVC Compound used for

Cable insulation, Footwear & Pipe jointing and other value added compositions like Zero Halogen Fire Retardant Compound and Engineering Plastics. Your Company also has more expansion projects in pipeline for catering to the untapped regions to enlarge geographic footprint in various parts of the country.

During this year, your company had hived off the Unit at Dhulagarh, West Bengal. This is due to the fact that the operation of that unit was not yielding desired profits because of high competition with unorganized sector coupled with high administrative costs and sluggish demand.

The cash inflow from sale of the said undertaking will help to reduce the debt and strengthen the Company's Balance Sheet. This will also support growth plans and ensure greater focus in other businesses of the Company.

Today, your Company has one of the strongest operating matrix in the Plastic industry in India. With its cost competitiveness, quality products, a robust marketing distribution system and extensive network, your Company has reinforced its formidable brand image.

Your Company has taken timely and adequate steps in the area of its financials to ensure healthy leveraging and availability of adequate financial resources to meet its ever growing aspirations.

I am very happy to announce that your Directors have recommended a dividend of 12% for 2013-14 on paid up capital.

Lastly, I sincerely wish to thank my colleagues on the Board, the dedicated Management team and employees at all levels for their unflinching support. I would also like to thank the Company's shareholders, distributors, vendors and financial institutions for their unstinted support.

With Best Regards,

**Narindra Suranna**

*Chairman & Managing Director*

*Date 30th May, 2014*

*Kolkata*

# Vision

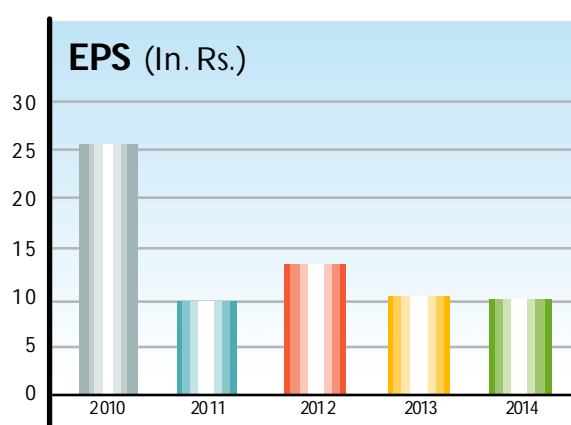
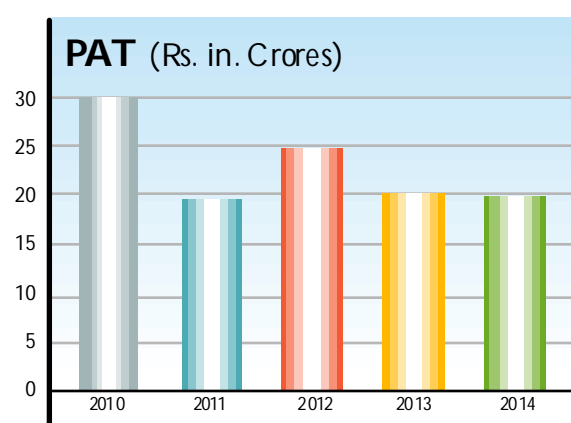
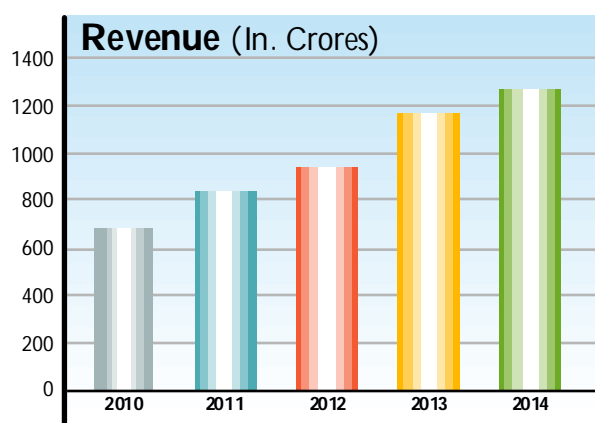
*Vision without action is just a dream;*

*Action without vision merely passes the time;*

*Vision with action can change the world.*

## Five Years at a Glance

Rs. In Crores:	2010	2011	2012	2013	2014
Net Revenue	724.41	847.58	913.23	1180.09	1245.58
PAT	29.90	19.13	24.24	19.97	19.48
EPS (Rs.)	25.88	11.71	12.99	10.61	10.36
Net Worth	108.04	178.15	197.58	214.91	229.08
Dividend (%)	22%	22%	22%	12%	12%



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 29th (Twenty-Ninth) Annual General Meeting of the Members of KALPENA INDUSTRIES LIMITED having CIN- L19202WB1985PLC039431, will be held at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071 on Friday, the 26th day of September, 2014, at 04.00 P.M. to transact the following Businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Mr. Rajesh Kumar Kothari (DIN – 02168932), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Nirmalendu Guha (DIN 01154485), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five(5) consecutive years, effective from 1st April, 2014 upto 31st March, 2019.”

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of Rs.30000/- plus service tax and out-of-pocket expenses payable to M/s. D.Sabyasachi & Co., who are appointed as Cost Auditors of the Company to conduct Cost Audits relating to plastic compounds and other manufacturing items of the Company for the year ending 31st March, 2015”.

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

“RESOLVED THAT Pursuant to the provisions of section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and in accordance with Article 55 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any, required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall also include any Committee thereof), consent of the Members be and is hereby

accorded to sub-divide each Equity Share of the Company having Face value of Rs. 10/- (Rupees Ten only) into 5(Five) Equity Shares of Face value of Rs. 2/- (Rupee Two only) each fully paid-up and consequently, the Authorized Share Capital of the Company of Rs. 30,60,00,000/- (Rupees Thirty Crores Sixty Lakhs only) would comprise of 15,30,00,000 (Fifteen Crores Thirty Lakhs) Equity Shares of Rs. 2/- (Rupee Two only) each with effect from the "Record Date" to be determined by the Board for this purpose.

**RESOLVED FURTHER THAT** Pursuant to the sub-division of the Equity Shares of the Company each Equity Share of the Face value of Rs. 10/- (Rupees Ten only) as existing on the Record Date shall stand sub-divided into 5(Five) Equity shares of the Face value of Rs. 2/- (Rupee Two only) each fully paid-up, with effect from the record date.

**RESOLVED FURTHER THAT** on sub-division, the 5(Five) Equity Shares of the Face value of Rs. 2/- (Rupee Two only) each be issued in lieu of one Equity Share of Rs. 10/- (Rupees Ten only) each, subject to the terms of Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid Equity Shares of Rs. 10/- (Rupees Ten only) each of the Company.

**RESOLVED FURTHER THAT** Upon sub-division of Equity Shares of the Company as aforesaid, the existing share certificate(s) in relation to the existing Equity Shares of Face value of Rs. 10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date of sub-division. The Company may, without requiring the surrender of existing share certificate(s) directly issue and dispatch the new share certificate(s) of the Company in lieu of such existing share certificate(s) within the period prescribed or that may be prescribed in this behalf from time to time and in the case of shares held in dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Share before sub-division.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to fix a Record Date and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the company and generally to do all such acts, deeds, matters and things and to give such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect to this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers to any Committee thereof as it may deem appropriate in this regard."

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

Amendment to clause V of the Memorandum of Association of the Company.

**"RESOLVED THAT** pursuant to the provisions contained in Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof), the existing Clause V of the Memorandum of Association of the Company be and is hereby amended by deletion of the existing Clause V and by substitution thereof by the following clause:

V. The Authorized Share Capital of the Company is Rs. 30,60,00,000/- (Rupees Thirty Crores Sixty Lakhs only)



divided into 15,30,00,000 (Fifteen Crores Thirty Lakhs only) Equity Shares of Rs. 2/- (Rupee Two) each, with the rights, privileges and conditions attached thereto as are provided by regulations of the Company for the time being in force, with power to increase and reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company.”

9. **To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**Borrowing Powers of the Company:**

“RESOLVED, in supersession of the resolution No.8 passed at the 26th Annual General Meeting of the Company held on 12th November, 2011 and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company and subject to such other approvals as may be necessary, THAT consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow money from time to time from anyone or more of the Company's Bankers and/or from anyone or more Firms, Bodies Corporate, Financial Institutions, Mutual Funds, Foreign Bankers, Foreign Financial Institutions, Foreign Institutional Investors, Overseas Corporate Bodies, Overseas Mutual Funds, Trusts or such other bodies or entities whether by way of cash credit, loans, advances, deposits, loans or bills discounting, deferred payment guarantees, issue of debentures, external commercial borrowings or otherwise, in any other mode or form, and whether unsecured or secured by mortgage, charge, hypothecation, lien, or pledge of the Company's assets and properties, whether immovable or movable or stock in trade (including raw materials, spare parts and components in stock or in transit and work in progress) or by any kind of guarantees and all or any of the undertakings of the Company, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but so however that the total amount upto which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 2000 Crore (Rupees Two Thousand crores only) exclusive of interest, and that the Board of Directors is hereby further authorized and empowered to arrange or settle or execute such deeds of debenture trust and deeds of mortgage, charge, hypothecation, lien, promissory notes, deposit receipts, guarantees/assurance deeds and other deeds and instruments or writings containing such conditions and covenants as the Board of Directors in its absolute discretion may think fit.”

10. **To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**Creation of Charge on the assets of the Company:**

“RESOLVED THAT in supersession of the Resolution No.9 passed at the Annual General Meeting of the Company held on 12th November, 2011 and pursuant to the provisions of Section 180 (1) (a) and other

applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company ('the Board') to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs. 2000 Crores (Rupees Two Thousand crores only)".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid."

By Order of the Board

Registered Office:  
2B, Pretoria Street,  
Kolkata-700071

**A.B.Chakrabartty**  
*Company Secretary*

Date: 13th day of August, 2014  
Place: Kolkata

## Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. MEMBERS ARE REQUESTED TO NOTE THAT A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE ANNUAL GENERAL MEETING.
2. The Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 5 to 10 above is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote, on their behalf, at the Meeting.
4. In accordance with the provisions of section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 22nd September, 2014 to Friday, 26th September, 2014 (both days inclusive).
5. The dividend, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be credited / dispatched between 1st October, 2014 and 21st October, 2014 to those members or to their mandates :-
  - a. whose names appear as Beneficial Owners as at the end of the business hours on 21st September, 2014 in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), in respect of the shares held in electronic form; and
  - b. whose names appear as Members in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the company / its Registrars & Share Transfer Agents on or before 21st September, 2014.
6. Securities and Exchange Board of India has made it mandatory for all companies to use bank account details furnished by the depositories for depositing dividend through National Clearing Service (NECS) to investors wherever NECS and bank details are available. In absence of NECS facilities, the company will print the bank account details, if available, on the payment instrument for distribution of dividend.
7. Members, holding shares in physical mode are requested to notify the change in their address / mandate/ bank account to M/s. CB Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019, the Registrar & Share Transfer Agent of the Company.
8. Members, holding Shares in Demat mode are requested to notify the change in their address / bank account details to their respective Depository Participant(s) (DPs).
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintain their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, M/s. CB Management Services Pvt. Limited.
10. Dividend for the financial year ended 31st March, 2007, which remains unpaid or unclaimed, will be due for transfer to Investors' Education and Protection Fund of the Central Government at the end of the year, pursuant to the provisions of Section 205C of the Companies Act, 1956. Members, who have not yet encashed their



dividend warrants for the financial year 31st March, 2007 or any subsequent financial years, are requested to lodge their claims with the Company's Registrar & Share Transfer Agents without delay. Members are advised that no claims shall lie against the said fund or the company for the amounts of dividends so transferred to the said fund. The details of dividend unclaimed by the members for the past years which have not yet been transferred to the Central Government are readily available for view by the members on the website of the Company [www.kalpenagroup.com](http://www.kalpenagroup.com). Further, the members are advised to glance through the database and lodge their claim for dividend which has remained unclaimed with the Company's Registrar and Share Transfer Agents.

11. As per the provisions of the Companies Act, 2013 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

**12. Process and manner for members opting for e-voting are as under:**

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members the facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Ltd. (NSDL).

The instructions for e-voting are as under:

**A. In case a Member receives an email from NSDL :**

- (i) Open the email and open pdf file "Kalpena Industries Limited e-voting.pdf" with your Client ID or Folio No. as password. The pdf file contains your user ID and password/PIN for e-voting. Please note that this password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login
- (iv) Put User ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) You will now reach Password Change Menu, wherein you are required to mandatorily change your password/ PIN with new password of your choice. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.).

On first login, the system will prompt you to change your password and update your contact details like mobile number, email ID, etc. in the user profile details of the folio, which may be used for sending future communications. You will also need to enter a secret question and answer of your choice to retrieve your password in case you forget it. Note your new password. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (vi) You need to login again with the new credentials. Home page of e-voting will open. Click on e-voting: Active Voting Cycles.
- (vii) Select the "EVEN" i.e Kalpena Industries Limited. Now you are ready for e-voting as Cast Vote page will open.
- (viii) The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on 22nd August, 2014 ("Cut-Off Date").
- (ix) On the voting page, you may cast your vote by selecting an appropriate option "For" or "Against" and click "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to

modify. Once you confirm, you will not be allowed to modify your vote. Upon confirmation, the message "Vote Cast Successfully" will be displayed.

- (x) You can similarly vote in respect of all other resolutions forming part of the Notice of the Annual General Meeting. During the voting period, Members can login any number of times till they have voted on all the Resolutions.
- (xi) If you wish to log out after voting on a few resolutions and continue voting for the balance resolutions later, you may click on "RESET" for those resolutions for which you have not yet cast the vote.
- (xii) Corporate/ Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at the email ID: daga.ashok@gmail.com with a copy marked to evoting@nsdl.co.in. The scanned image of the above mentioned documents should be in the naming format: Corporate Name EVEN NO.

**B. In case of Members receiving Notice of Annual General Meeting by Post:**

Please follow all steps from Sr. No. (ii) to (xii) as mentioned in (A) above, to cast your vote.

- C. Members who are already registered with NSDL for e-voting can use their existing User ID and password/ PIN for casting their votes.
  - D. The e-voting period commences on 21st September, 2014 (9.00 a.m) and ends on 23rd September, 2014 (6.00 p.m). During this period, Members holding shares in either physical or dematerialized form as on the Cut-Off Date of 22nd August, 2014, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
  - E. In case of any query pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of <https://www.evoting.nsdl.com>.
  - F. Mr. Ashok Kumar Daga, Practicing Company Secretary has been appointed as Scrutinizer for scrutinizing the e-voting process in a fair and transparent manner.
  - G. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - H. The Results shall be declared on or after the AGM of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.kalpenagroup.com](http://www.kalpenagroup.com) and on the website of NSDL within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the Company is listed.
13. For the convenience of members who do not have access to e-voting facility, a ballot form can be obtained from our RTA. Members may fill in the Ballot form and submit the same in a sealed envelope to the Scrutinizer, Ashok Kumar Daga, Unit :- Kalpena Industries Limited, C/o. CB Management Services Pvt. Ltd., P-22, Bondel Road, Kolkata – 700 019 , so as to reach by 6.00 p.m. on 23rd September, 2014. The scrutinizer will collate the votes downloaded from e voting system and votes received through post to declare the final results. A member can opt for only one mode of voting. In case of member(s) who cast their votes by both the modes, then voting done through electronic mode shall prevail.
14. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 01.00 p.m. up to the date of Meeting.

15. Brief resume of Directors seeking appointment / re appointment including nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership / chairmanship of Board Committees, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are as under :

### DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(In Pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Rajesh Kumar Kothari *	Mr. Nirmalendu Guha
Date of Birth	05.06.1964	14.11.1932
Date of Appointment on the Board	12.08.2011	11.05.2002
Qualification	Graduate (B.Com) from Rajasthan University, Ajmer	M.Tech (P.Eng & Mgt.), C.Eng, FIE (India), FI Plant E (UK), Hon FIPE, MMFI
Expertise	Mr. Kothari has more than 28 years of experience in the areas of marketing, after sale service and market research. He started his career in the year 1985 at Kanoria Chemicals & Industries Limited. In the year 1997 he joined Kalpena.	Mr. Guha has wide experience in the Corporate world and has held distinguished positions in prestigious companies. He has remained Vice – Chairman and Managing Director of IFB Agro Industries and Chief Executive – MD and CM of Tea Trading Corporation of India.
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)	None	Damodar Ropeways & Infra Limited
Memberships / Chairmanships of Committees across all companies	None	None
Shareholding in the Company	Nil	NIL
Relationship with other Directors	NIL	NIL

# Note: Excludes Directorships in Private Limited Companies, Foreign Companies and Government Companies

- \* Mr. Rajesh Kumar Kothari, Whole Time Director is a non rotational Director as per his terms of appointment. However, in order to comply with the provisions of Section 152 of the Companies Act, 2013, his position is liable to retire by rotation.

## REQUEST TO MEMBERS

Members desirous of getting Information / Clarification on the Accounts and Operations of the company or intending to raise any query are requested to forward the same at least 7 days in advance of the meeting to the Company Secretary at the office address so as the same may be attended appropriately.

Registered Office:  
2B, Pretoria Street,  
Kolkata-700071  
Date: 13th August, 2014  
Place: Kolkata

By Order of the Board of Directors  
For Kalpena Industries Limited

**A.B.Chakrabartty**  
*Company Secretary*

**Statement pursuant to Section 102 of The Companies Act, 2013**

The following Statement sets out all the material facts relating to the Special Business in the accompanying Notice:

**Item No. 5**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. Nirmalendu Guha as Independent Director at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of Mr. Nirmalendu Guha as Independent Directors for a period of 5 years, with effect from 1st April, 2014 upto 31st March, 2019. A notice under section 160 of the Companies Act, 2013 has been received from a member proposing him as a candidate for the office of Director of the Company.

Mr. Nirmalendu Guha, non-executive director of the Company, have given a declaration to the Board that he meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfil the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Nirmalendu Guha as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, in the resolution set out at Special Business Item No.5 of the Notice.

**Item No. 6**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s D.Sabyasachi & Co, Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2014-15.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 30,000/- plus applicable service tax, payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Special Business under Item No. 6 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

The Board recommends the ordinary resolution for approval of the Members.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, in the resolution set out at Special Business Item No.6 of the Notice.

**Item No. 7 & 8**

The Equity Shares of the Company are listed on the Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE) and the shares are being traded on BSE. With a view to enhancing the investor base of the company by encouraging the participation of the small investors and also to increase the liquidity of the equity shares of the Company, the Board of Directors at its meeting held on 13th August, 2014 has approved to sub-divide the nominal value of the equity share capital of the Company from Rs. 10/- per share to Rs. 2/- per share, subject to approval of members.

Accordingly, each paid up equity share of nominal value Rs. 10/- (Rupees Ten Only) each of the Company, existing on the Record Date as may be fixed by the Board of Directors, shall stand sub divided into 5 (five) Equity Shares of Nominal Value of Rs. 2/- (Rupees Two only) each.

The Record Date for the aforesaid Sub Division of the equity shares will be fixed after the approval of the shareholders is obtained, pursuant to this Annual General Meeting.

At present, the Authorised Share Capital of the Company is Rs. 30,60,00,000 /- (Rupees Thirty Crores Sixty Lakhs only) divided into 3,06,00,000 (Three Crores Six Lakhs only) Equity Shares of Rs. 10/- (Rupee Ten) each. The issued, subscribed and paid up capital of the Company is divided into 1,88,14,586 (One Crore eighty-eight lakhs fourteen thousand five hundred eighty-six) equity shares of Rs.10/- each amounting to Rs.18,81,45,860/- (Eighteen Crores Eighty One lakhs Forty five thousand eight hundred sixty only).

The proposed sub division of equity shares of the Company from Rs.10/- (Rupees Ten only) per Equity share to Rs.2/-(Rupees Two only) per equity share, requires alteration of the Memorandum of Association of the Company. Accordingly, Clause V of the Memorandum of Association is proposed to be altered in the manner set out in Resolution at Item No.8.

The Board recommends the ordinary Resolutions under Item No. 7 & 8 of the notice for approval of the Members.

A copy of the Memorandum of Association of the Company along with the proposed amendments is available for inspection by the members at the registered Office of the Company on all working days during the office hours of the Company till the conclusion of the Annual General Meeting.

The Directors / key managerial personnel of the Company or their respective relatives are deemed to be concerned or interested in the Resolutions mentioned at Item No. 7 & 8 of the Notice only to the extent of shares held by them, if any, in the Company.

**Item No. 9**

In terms of provisions of Section 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting by way of Special Resolution, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and its free reserves. The members at their Annual General Meeting held on 12th November, 2011 had accorded their consent under Section 293(1)(d) of the Companies Act, 1956 as applicable at that time, to the Directors for borrowing moneys up to a limit of Rs.1500 crores (apart from temporary loans obtained from the Company's bankers in the ordinary course of business).

Since Section 180(1)(c) of the Companies Act, 2013, is effective from 12th September, 2013, fresh approval of the members by way of special Resolution will be required for borrowings in excess of the paid-up capital and its free reserves. Moreover, the borrowing limit is proposed to be Rs. 2000 crores at any period of time.

The Board recommends the Special Resolution for approval of the members.

None of the Directors / key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.9 of the Notice.

**Item No. 10**

Under the erstwhile Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation

on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution.

As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

The limit of 1500 Crores under the earlier resolution passed by the shareholders at the Annual General Meeting of the Company held on 12th November, 2011 is revised to Rs. 2000 Crores.

The Board recommends the Special Resolution for approval of the members.

None of the Directors / key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.10 of the Notice.

Registered Office:  
2B, Pretoria Street,  
Kolkata-700071

Date: 13th day of August, 2014  
Place: Kolkata

By Order of the Board of Directors  
For Kalpena Industries Limited

**A.B.Chakrabartty**  
*Company Secretary*

## Directors' Report

To the Members,

Your Directors have pleasure in presenting the 29th Annual Report on the business and operation of the Company together with Audited Statements of Accounts for the year ended 31st March, 2014.

### Summarized Financial Results

	( ` In Lacs)	
	2013-2014	2012-2013
<b>Net Turnover and other Income</b>	124558.53	118009.32
Profit before Depreciation, Interest & Tax	8171.22	6884.99
Less : Depreciation	1508.30	1189.33
Interest	3853.78	2633.80
<b>Profit before Tax</b>	2809.14	3061.86
Less : Provision for Tax	860.71	1064.80
<b>Profit After Tax</b>	1948.43	1997.06
Add: Profit brought forward from previous year.	10491.09	9158.17
<b>Amount Available for Appropriation</b>	12439.52	11155.24
<b>Appropriation</b>		
Proposed final dividend on Equity Shares	225.78	225.78
Corporate Dividend Tax	38.37	38.37
Transfer to General Reserve	456.82	400.00
Surplus carried to Balance Sheet	11718.55	10491.09

### Operations

During the year under review, your Company achieved total revenue of Rs. 1245.58 Crores including other income of Rs. 13.01 Crores as against total revenue of Rs. 1180.09 Crores including other income of Rs. 12.23 Crores in the previous financial year ended 31st March, 2013. The Profit after Tax was Rs. 19.48 Crore for the Current year as against Rs. 19.97 Crore in the previous year. Despite of high finance cost and depreciation, your company has been able to generate PAT referred above.

The Company's Production and Sales have recorded a significant growth over the previous year. Further, the operational efficiency has also resulted in Company's financials.

The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report.

### Flexible Packaging and Ink Projects

As mentioned in 27th Annual Report, your company, in order to diversify its product concentration risk and take advantage of its in-house compounding knowledge, has set up an ambitious flexible packaging project at Dankuni, West Bengal. Your company has also set up a manufacturing unit of Industrial Ink as backward integration for Flexible Packaging unit. The commercial production has already been started. Your company has also commenced full scale marketing activities with its target customers so that the plant would be able to deliver quality products to prospective customers in multiple segments in the shortest possible time.



### Dividend

Your Directors are pleased to recommend a dividend of Rs. 1.20/- per equity share of Rs. 10/- each i.e. 12% for the financial year ended March 31st, 2014. The Dividend outgo would amount to Rs.262.40 lacs (inclusive of Dividend Distribution tax). The dividend, subject to approval of the shareholders at the AGM on 26th September, 2014, will be paid to the members whose names appear in the register of members as on the close of the business hours on 21st September, 2014.

### General Reserve

Out of the amount available for appropriation for the financial year 2013-14, an amount of Rs.4.57Crore has been transferred to the General Reserve.

### Fixed Deposits

Your Company did not invite or accept any deposits from public and /or shareholders during the year under review. As of 31st March, 2014, there were no fixed deposits pending with the Company.

### Research and Development

Your Company recognizes that Research & Development plays a critical role in supporting current operations as well as future growth. Your Company has focused its attention towards development of Products that have wide industrial application particularly in cable, piping, packaging and footwear industry.

### Insurance

The Company's plants & machineries, factories and movables are adequately insured against various risks.

### Directors

In accordance with the provisions of the Companies Act, 2013, Mr. Rajesh Kumar Kothari, Whole Time Director (DIN -02168932) of the Company retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

Mr. Samir Kumar Paul and Dr. R. Dasgupta have resigned from the Directorship of the Company with effect from 01.11.2013 and 31.03.2014 respectively. The Board places on record its appreciation for the services rendered by them to the Company.

According to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Nirmalendu Guha (DIN 01154485) as Independent Director for five consecutive years, with effect from 1st April, 2014 upto 31st March, 2019.

Suitable resolutions for appointment / reappointment of Directors, as referred above, will be placed for approval of the members in the forthcoming Annual General Meeting. The brief resume and other information of the concerned directors, in terms of the provisions of clause 49 of the Listing Agreement with Stock Exchanges, have been detailed in the notice convening the forthcoming Annual General Meeting.

Your Company has received from the Independent Directors Certificate of Independence, as enumerated in section 149(6) of the Companies Act, 2013.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from these applicable accounting standards.
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2014 and its profit for the year ended on that date.



- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the directors have prepared the annual accounts on a going concern basis.

#### **Auditors & Audit**

The Statutory Auditors of the Company, M/s. B.Mukherjee & Co, Chartered Accountants, Kolkata (Firm Registration No.302096E), retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed. The Audit Committee and the Board of Directors recommends the re-appointment of M/s. B.Mukherjee & Co., Chartered accountants, as the Auditors of the Company upto the conclusion of next Annual General Meeting.

Further, the Auditors have confirmed that they have undergone the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of ICAI. The observations of the Auditors in the Report on Accounts read with the relevant notes are self explanatory and do not call for any further comments.

#### **Internal Auditors**

The Board of Directors of your Company has re-appointed M/s. DKD & Associates, Chartered Accountants, Kolkata (Firm Registration No.322657E) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2014-2015.

#### **Cost Auditors**

As per the Cost Audit Order vide no. 52/26/CAB- 2010 dated November 6, 2012, issued by the MCA under Section 233B of the old Companies Act, 1956, the board had appointed M/s. D. Sabyasachi & Co., Cost Accountants, Kolkata to carry out the cost audit of the Company for the financial year 2012-13. The due date for filing the cost audit report for the financial year 2012-13 was September 30, 2013. This report was filed within the prescribed time in the XBRL format with the MCA.

Pursuant to section 148 of the Companies Act, 2013 and subject to notification of rules thereunder, the board of directors on the recommendation of the audit committee appointed M/s. D. Sabyasachi & Co., Cost Accountants, Kolkata, as the Cost Auditors of the Company for the financial year 2014-15. M/s. D. Sabyasachi & Co. have confirmed that their appointment is within the limits and they are free from any disqualifications as provided in section 141 of the Companies Act, 2013.

#### **Particulars of Employees**

None of the employees employed throughout the year or part of the year who was in receipt of salary of Rs. 5,00,000/- or more per month or Rs. 60,00,000/- or more per annum, therefore, no details have been provided or required under section 217 (2A) of the Companies Act, 1956 read with the Company (Particulars of Employees) Rules, 1975.

#### **Human Resources and Industrial Relations**

The Industrial relations of the Company with its personnel has continued to be cordial and amicable. Your Directors acknowledge and appreciate the efforts and dedication of employees to the Company. Your directors wish to place on record the co-operation received from the Staffs and Workers at all levels and at all units.

#### **Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.**

Your Company has directed its efforts to reduce energy costs by focusing on energy savings through the best optimization of operations on a day to day basis. The Company has used fuels in appropriate mix to attain maximum savings.

As required to be disclosed in terms of Section 217(1) (e) of the Companies, Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the prescribed format as an Annexure to the Report and marked as **Annexure 'A'**.

#### **Management's Discussion and Analysis Report**

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India, the Management's Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report and marked as **Annexure 'B'**.

#### **Corporate Governance**

The Company believes in maintaining the highest standards of Corporate Governance and has complied with the applicable provisions of Corporate Governance under clause 49 of the Listing Agreement with the stock exchanges. A detailed report on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is included in a separate section forming part of the Annual Report and marked as **Annexure 'C'**.

A certificate from the Auditors of the Company M/s B.Mukherjee & Co., Chartered Accountants, Kolkata, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

#### **Acknowledgement**

Your Directors take this opportunity to thank the Financial Institutions, Banks, Central and State Governments authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company.

Your Directors also wish to place on record their appreciation to all of the Company's employees and workers at all level for their enormous personal efforts as well as their collective contribution to the Company's performance.

For and on behalf of the Board of Directors

Place: Kolkata

Date: 30th May, 2014

**Narrindra Suranna**

Chairman & Managing Director

## ANNEXURE 'A'

**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 for the year ended 31st March, 2014.**

## 1. CONSERVATION OF ENERGY.

## A) ENERGY CONSERVATION MEASURES TAKEN:

In addition to the existing measures being practiced, the following steps were taken:-

- i. Education of workforce at the Head Office regarding use of various office equipments, especially computers in a manner that use less energy.
- ii. Installation of energy efficient equipments, such as Compact Fluorescent Light Bulbs (CFLs) and Battery Charging Systems at all offices.
- iii. Adoption of policy of having our heating and cooling equipment serviced regularly.

## B) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

- i. Rationalization of Plants to save and optimize use of energy.
- ii. Means of conservation of energy currently being utilized in process plants is being studied.

## C) IMPACT OF MEASURES AT (A) AND (B) ABOVE.

Energy usage has been controlled due to above mentioned efforts being undertaken by the company.

## D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.

The particulars are furnished in prescribed Form -A annexed hereto.

## 2. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are furnished in prescribed Form-B annexed hereto.

## 3. FOREIGN EXCHANGE EARNINGS AND OUTGO.

## A) ACTIVITIES RELATING TO EXPORT, INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS:

Company is making serious efforts for marketing of its products for in global markets. With India's growing importance as a low cost manufacturing base with good health, safety and environment practices, your company sees a great export potential in many of its products. Effective steps have been taken in this regards and the company is receiving good responses to its efforts.

## B) TOTAL FOREIGN EXCHANGE USED AND EARNED

(` In Lacs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Total Foreign Exchange earned	21357.76	16592.59
Total Foreign Exchange used	36618.54	51242.24

**FORM – A****Disclosure of Particulars with respect to Conservation of Energy**

A. Power and Fuel Consumption	Unit	FY 2013-14	FY 2012-13
1. Electricity			
a) Purchased			
Unit	KWH	30118320	29994706
Total amount	Rs.	189545914	184818881
Rate / Unit	RS/KWH	6.29	6.16
b) Own generation (through diesel generator)			
Unit	KWH	346234	727746
Total amount	Rs. In lacs	6860607	13254607
Rate / Unit (Average)	RS/KWH	19.81	18.21
2. Coal	-	-	-
3. Furnace Oil	-	-	-
4. Other/Internal Generation	-	-	-
B. Consumption per unit of Generation	Unit	FY 2013-14	FY 2012-13
PVC, XLPE compounds & Master Batches & Agglomerates			
Net saleable production	Kgs	147830677	121121138
Electricity	KWH / TON	206.08	253.65

**FORM – B****DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.****RESEARCH AND DEVELOPMENT**

- a) Specific areas in which R & D is carried out by your company.
- Horizontal and vertical expansion of Company's product profile.
  - New & Improved Product Development.
  - Up gradation of R&D lab, efforts are being made to develop state of the art R&D centre at Daman works to cater to the growing demand for Hi- Tech products.
- b) Benefits derived as a result of R & D.
- Efficiency and yield improvement, loss reduction and modernization program.
- Import Substitution
  - Increased Market share for various products.
  - Better market penetration of various products.
  - Developments of various grades of PVC & XLPE compounds to meet changing market needs.

## c) Future Plan of Action.

The R & D Centre has undertaken development of various grades of PVC Compound to meet the changing conditions.

## d) Expenditure on R&amp;D.

(` In Lacs)

Particulars	FY ended 31st March, 2014	FY ended 31st March, 2013
Capital	60.57	5.68
Recurring	9.79	12.08
Total R & D Expenditure	70.37	17.76

**TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

- Efforts, in brief, made towards technology absorption, adoption and innovation as above.
- Benefits derived as a result of the above efforts: New Products are being developed for polymer mixing by up gradation and innovation as enumerated above.
- No import of technology was carried out during the last 5 years from the beginning of financial year.

For and on behalf of the Board of Directors

Place: Kolkata

Date: 30th May, 2014

**Narrindra Suranna**

*Chairman and Managing Director*

**ANNEXURE 'B'****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ECONOMIC OVERVIEW:**

The financial year 2013-14 witnessed a gradual recovery of the global economy, although the pace has tended to be uneven and prone to uncertainties. At the same time, there has been a distinct change in the pattern of the recovery. While earlier, it was fuelled by the emerging markets and developing economies, the impetus to growth has now come from the developed economies this year. The US economy has performed fairly as evidenced by upbeat housing and employment related data, although the Euro region showed signs of subdued recovery. On the other hand, emerging markets like Brazil and India witnessed a slowdown in economic growth. China, on the other hand, is focusing on a more balanced growth strategy, which will augur well for the country, going forward.

Overall, however, the growth in advanced economies is likely to result in greater export oriented opportunities for emerging ones, thereby leading to a more balanced scenario. The global economy is estimated to grow at an average rate of 3.7% in 2014 compared to the 3% growth rate recorded in 2013. At the same time, emerging economies like China and India are also expected to grow owing to structural policies supporting investments in those regions.

India's GDP is expected to be 5.7% in respect of Financial Year 2014-15. This is 1% more than the previous year. The economic momentum will fetch the countries with growth in industrial output, export and employment opportunities.

**INDUSTRY OVERVIEW**

The products of Kalpena Industries Limited find application mainly in cable industries, packaging industries and footwear industries. The Indian cable industry is highly fragmented with a large number of producers. The market for cables and wires is mainly dominated by the unorganized sector controlling about 70% of the domestic demand for wires and cables. However, due to change in government at the centre, which has started focusing on development of Infrastructure including power sector, it is expected that your company will benefit substantially in near future.

**Outlook**

In order to overcome the stagnation in the growth of cable industries and Infrastructure Development, your company has diversified its activities in manufacturing of High Standard Flexible Packaging and Industrial Ink. The Company has already setup state of the art manufacturing facility of Flexible Packaging with fully automated equipments of international standards. The Commercial production has already been started and due to locational advantage, Kalpena is expected to have a very good market share in eastern India as well as in Bangladesh and Nepal. As a backward integration, Kalpena has set up unit for manufacturing of Industrial Ink at Bhasa, West Bengal.

**Industry Structure and Developments**

The company's polymer compounds business is directly related to the fortunes of cable industry/packaging industry / footwear industry. If there is demand push in these segments of Indian economy, the top line and bottom line of Kalpena Industries Limited will significantly increase.

The strong R&D facilities of Kalpena, backed by competent R&D personnel will help to overcome many of the challenges including overall growth at a rate superior to industry average. Kalpena has been able to develop a number of products for domestic and international market such as Medium Voltage XLPE, Medium Voltage Semi conducting grades and also grades suitable for Pipes.

Kalpena has always endeavored to keep pace with evolving technologies and give high customize solutions to customers. Kalpena has brought into effect new, efficient and speedy customer support and logistics to enhance customer relationship. With these additional systems, Kalpena that constantly work with customers, meeting their requirements ontime, every time.

## **Company's Performance:**

### **A. Financial Performance:-**

- Gross turnover for the year is Rs. 1245 Crore against Rs.1180 Crore in 2012 – 13.
- PBIDT for the year Rs.81.71 Crore as against 68.85 Crore in 2012-13.
- Profit after Tax for the year Rs. 19.48 Crore against Rs. 19.97 Crore in 2012-13.
- Capital Structure of the Company as at 31st March 2014 is Rs. 18.81 Cr comprising of 18814586 nos. of equity shares of Rs. 10/- each.
- The Board of Directors has recommended an equity dividend of 12% i.e. Rs. 1.20 per equity shares of Rs. 10/- each.

### **B. Product wise operational performance:-**

Product wise your company is engaged in manufacturing of the following products, the performance of which is discussed in the following lines-

#### **PVC Compound and Master Batches**

The turnover from PVC Compound & Master Batches is Rs. 39435 lacs this year as against Rs. 33819 lacs for the last year.

#### **PE Compounds**

Turnover from PE compound is Rs. 91982 lacs this year as against Rs. 64229 lacs in the last year.

#### **Agglomerates, Reprocessed Granules & Scraps**

Turnover from these items are 5274 lacs as against 28468 lacs in the last year.

## **Future Outlook**

The Company continues to be the leading market player in manufacturing of polymer compounds. It has offered wide range of products to domestic and industrial users. In the years to come, the Company will come up with more new products to satisfy the diverse needs of the Customers. Kalpena Industries Limited is confident of accomplishing volume growth target and consequently the market share in very near future. Your company, being the only domestic player for Medium Voltage cables, consequently enjoys possibility of achieving higher volumes and margins. The marketing team is making incessant effort for increasing the presence in overseas market. Increased application of polymers and Performance polymers in the field of Consumer durable, Automobiles and also in Alternative & Renewable Energy sector provide ample opportunity to Kalpena in the field of polymer and performance polymer to enhance its business. Again, your company wants to be recognized amongst the best flexible packaging manufacturer across the globe.

## **Opportunity and Threats**

The use of plastic made products has gained considerable response from the customers. In number of items of Retail and Industrial consumption, it is found that the use of Plastic made products has replaced many other products as the best substitute product. This increase, in the use of plastic Products, will open many new areas for the Industry in the years to come.

The Indian Plastic industry has been growing at a rate of 12% over the years and with its true potential harnessed, is all set to reach the 12.5 MMT of consumption. To match this figure, India would require 42000 new machines and around US \$ 10 billion of project investment by 2020. Packaging, Electronics, Telecommunication, Infrastructure, Transportation, Healthcare and Consumer durables are fast growing sectors of Indian economy, offering growth for plastics consumption.

Indian plastic industry is highly competitive. Moreover, the competition is increasing with the emergence of new global players and other domestic unorganized players. Increased competition might lead to price reductions, decreased sales, lower profit margins thus adversely affecting the business of the Company.

Despite growing competition which may cause downward pressure on prices and profit margins, the company has equipped itself to increase its top line and bottom line. The Company has its strong financials and doesn't have major

obligations. Apart from the rise in competition globally, inconsistency in the input prices and other routine business risks, your Company doesn't envisage any major Threats.

### **Risks and Concerns:**

Risk is integral to virtually all business activities, though in varying degrees and forms. At Kalpena, we have well defined risk management policy in place and the same is reviewed from time to time. The risk management policy is also monitored by executive management of the company with suitable steps to enhance scope of its operation. Irrespective of the type of risk or the activity that creates it, the Company's fundamental approach to risk management remains the same:

#### **Business risks**

Besides other risks and concerns, the major concern, of the Company's business is fluctuations in the prices of Raw Materials and entry of local and small manufacturers in the Industry. The business is constantly under margin pressure. Lower volumes and prices in the domestic and global markets will have an impact on the Company's revenues and profits. However, the management is cautiously optimistic about the likely recovery in the global infrastructure industry. The Company's focus on cost reduction, which has yielded positive results, will be the critical factor in mitigating margin pressures. Further, new product launches will aid in stabilizing cash flows.

#### **Technology risks**

Product obsolescence risks are inherent in the business and the management continues to accord high priority to in-house research and development in order to ensure new product development as per evolving needs in the industry, technical enhancements and quality improvements of existing product offerings.

#### **Financial risks**

Company has established a risk management strategy that comprise reasonable use of derivative and non derivative financial instruments primarily to manage its exposure to market risks resulting from adverse fluctuations in material prices, interest rates and foreign currency rates.

### **Internal Control System**

The Company has a well established internal control framework covering all functional areas. It includes independent review of control system by internal auditors, review mechanism by Audit Committee and periodic review by the management.

Currently all the operations of the company are carried out in conformity with the defined process. The Company also has policy of periodic reviews of all business activities viz. purchase, stores, marketing, personnel, production, maintenance, finance and accounts, IT systems. The Audit Committee of the Board periodically reviews the terms of reference and the adequacy of internal control system, significant observations and their disposals and remedies if any. Further, the Company has implemented Enterprise Resource Plan (ERP) to consolidate all its operation as well as strengthen its Internal Control System.

### **Human Resources and Industrial Relations**

The Company appreciates performance of the employees for the year and anticipate the much more for the years to come. Your Company believes in employee empowerment across the entire organization in order to achieve organizational effectiveness. The Human Resource policies are soundly drafted for all levels of employees to serve them motivation, transfer & promotions and to retain the skills. Over a period of time, your company has built and nurtured a dedicated and excellent workforce who consists of engineers, CAs, CSs, MBAs, and advance degree holders like PhDs having a big business portfolio. The Industrial relations of the Company was cordial and there were no instances of employee disputes arising during the year.

### **Cautionary Statement**

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, estimates, and expectations and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, natural calamities and so on over which the company does not have any direct control.



## ANNEXURE 'C'

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. It provides structure to set the objectives, the means to attain them and monitor the performance. It is a commitment to the business ethics and values and not limited to compliances and transparency. Since Large Corporations employ a vast quantum of societal resources, Kalpena believes that the governance process should ensure that these resources are utilized in a manner that meets stakeholders' aspirations and societal expectations.

Corporate Governance helps to serve corporate purpose by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate governance signifies acceptance by management of the inalienable rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders.

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms to laws, regulations and guidelines and continue focusing on its resources, strengths and strategies to achieve its vision of becoming a market leader in plastics industries, while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to Kalpena Group.

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence & customer satisfaction and maximizing long term shareholder's value. In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholder's value and commitment to high standard of business ethics.

Some of the major initiatives taken by the Company towards strengthening its corporate governance systems and practices include the following:

### **Secretarial Audit:**

The Company has appointed an independent practicing Company Secretary to conduct Secretarial audit. The quarterly audit reports are placed before the Board.

### **Role of Company Secretary in overall Governance Process:**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements.

### **Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India:**

The Institute of Company Secretaries of India (ICSI), one of the premiere professional bodies in India. ICSI has issued Secretarial Standards on important aspects like Board Meetings, General Meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings and Transfer / Transmission of Shares. Though these standards are recommendatory in nature, the company adheres to the standards voluntarily.

Hope, by the way of transparency in corporate management and reporting practices, this will make a value addition.

## 2. BOARD OF DIRECTORS:

The Board of Kalpena has an appropriate mix of Executive and Non-Executive Directors. The Non-Executive Directors include Independent Directors and is in conformity with Clause – 49 of the Listing Agreements entered into with the Stock Exchanges.

The composition of the Board and Category of Directors is as follows:

- As on 31st March, 2014, the Board comprises Chairman & Managing Director, one Whole Time Director and two non executive independent directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.
- None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies have been made by the Directors.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last (AGM), as also the number of Directorship and Committee positions held by them in other Companies are given herein below.

Name	Designation	Category	Attendance Particulars		Outside Directorships & Committee Position		
			Board Meeting	Last AGM	Other Director ships*	Committee Memberships#	Committee Chairmanships#
Shri Narrindra Suranna	Chairman & Managing Director	Executive & Promoter	4	Yes	–	–	–
Shri. R.K.Kothari	Whole Time Director	Executive	5	Yes	–	–	–
Dr. Rupak Dasgupta \$	Director	Non Executive & Independent	2	No	–	–	–
Shri. Nirmalendu Guha	Director	Non Executive & Independent	4	Yes	Damodar Ropeways & Infra Limited.	–	–
Shri Nilay Guha	Director	Non Executive & Independent	0	No	–	–	–
Shri Samir Kumar Paul @	Director	Non Executive & Independent	1	Yes	–	–	–

\* Directorship includes only Public Companies.

\$ Resigned from the Board on 31st March, 2014.

@ Resigned from the Board on 01st November, 2013.

# Committees includes Audit Committee and Shareholders Grievance Committee.

Except the Managing Director and Whole Time Director, all other directors are liable to retire by rotation and at every AGM 1/3rd of them shall retire.

Details of the Directors Seeking appointment / re- appointment at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement, have been given along with the Notice of Annual General Meeting.

Independent Director is defined as one, who apart from receiving sitting fee as a director does not have any other material pecuniary relationship or transactions in his personal capacity with the Company.

As required under the Accounting Standard 18 transaction with related parties are furnished under note 36 of notes on financial statement. There was no transactions of material nature with Promoter Directors or their relatives, etc. that may have potential conflict with the interest of the company. With regards to disclosure received from Directors and senior management there was no transaction with the company which might have potential conflict with the interest of the company at a large.

### 3. BOARD AGENDA

#### Scheduling and Selection

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/ Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board/ Committee Meetings.

#### Post Meeting follow up System:

The Governance processes in the Company include an effective post meeting follow-up, review and reporting process for action taken / pending on decisions of the Board. Decisions are promptly communicated to the concerned departments. Action taken report on decisions / minutes of previous meetings is placed at the succeeding meetings of the Board/ Committee for noting.

### 4. DETAILS OF BOARD MEETINGS DURING THE FINANCIAL YEAR:

The Meetings of the Board of Directors are normally held at the Company's Registered Office at Kolkata. During the financial year 2013-2014, 5 meetings of the Board (including one circular resolution) were held and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

Sl.No	Date	Sl.No	Date
1	14.06.2013 (Circular Resolution)	4	14.11.2013
2	11.07.2013	5	13.02.2014
3	14.08.2013		

Shareholdings of directors as on 31.03.2014 are as under:

Name of the Director	No. of Ordinary Shares held	% of Paid – up Capital
Shri Narrindra Suranna	400	0.002%
Dr. R. Dasgupta *	–	–
Shri R.K.Kothari	–	–
Shri. Nirmalendu Guha	–	–
Shri Nilay Guha	–	–
Shri Samir Kumar Paul **	–	–

\* Dr. R. Dasgupta has resigned from the Board on 31.03.2014.

\*\* Shri Samir Kumar Paul has resigned from the Board on 01st November,2013.

### 5. COMMITTEES OF THE BOARD:

Presently, there are Four Board Committees– the Audit Committee, the Remuneration Committee, Share Transfer Committee and the Investors Grievances Committee. The terms of reference of the committee(s) detailing their scope of work are determined by the Board from time to time. The Board periodically reviews the minutes of the meetings of above mentioned Committees. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed below:-

#### 5.1 AUDIT COMMITTEE:

In compliance with Clause 49 of the Listing Agreement as well as of Section 292A of the Companies Act, 1956, the

Board has constituted an Audit Committee. This Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

The Committee presently comprises three Directors, two of whom are Independent. The Audit Committee Chairman, Mr. Nirmalendu Guha is a Non-Executive Independent Director having adequate management expertise and sound financial knowledge. The Company Secretary is the Secretary of the Committee. The Managing Director, Chief Financial Officer, Statutory Auditors usually attend the meeting (being entitled to attend as per relevant provisions of applicable laws/rules and/or as and when felt necessary)

All the Members of the Committee have good knowledge of finance, accounts and company law with in the meaning of clause II (A) explanation 1 of Clause 49 of the Listing Agreement. During the year under review, the committee met 3 times on 14.08.2013, 14.11.2013 and 13.02.2014. The Composition of the Committee and the attendance at each Committee Meetings are as follows :-

Name of Director	Category	Attendance of Directors		
		14.08.2013	14.11.2013	13.02.2014
Mr. N. Guha	Non Executive Independent	Yes	Yes	Yes
Dr. R. Dasgupta *	Non Executive Independent	Yes	NO	NO
Mr. R.K.Kothari	Executive	Yes	Yes	Yes

\* Dr. R Dasgupta has resigned from the Board on 31.03.2014.

#### Term of reference:

Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and fixation of audit fees;

Approval of payment to statutory auditors for any other services rendered by them;

Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:-

- Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report;

Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;

Reviewing the adequacy of internal Audit / control systems, if any, including the structure of the internal control department staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

Discussion with internal auditors any significant findings and follow up thereon;

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, share holders (in case of non payment of declared dividends) and creditors;

Considering such other matters as may be required by the Board;

Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other Statutes, as amended from time to time.

### **Power of Audit Committee**

The audit committee shall have powers which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

## **5.2 REMUNERATION COMMITTEE :**

### **Meeting Held :**

During the Financial Year 2013-2014, the committee met one time on 14th August, 2013

### **Composition and Attendance:**

Sl. No	Name of Director	Composition	Meeting(s) attended
1	Dr. R. Dasgupta*	Chairman	1
2	Mr. N.Guha	Member	1
3	Mr. R.K.Kothari	Member	1

\* Dr. R Dasgupta has resigned from the Board on 31.03.2014.

The Company Secretary acts as the Secretary of the Committee.

### **Terms of Reference:**

The Broad terms of reference of the Remuneration Committee are as under:-

To review, assess and recommend the appointment of Executive and Non-Executive Directors from time to time and to periodically review their remuneration package, to recommend suitable revision to the Board, to recommend compensation to the Non-Executive Directors in accordance with the provisions of the Companies Act, 1956.

**Remuneration Policy:****Non Executive Directors**

The remuneration of the Non- Executive Directors (NEDs) of the Company is decided by the Board of Directors. The Non- Executive Directors of the Company are being paid sitting fees of Rs. 5000 /- for attending each meeting of Board and Committees of Directors. Besides sitting fees, the Non Executive Directors of the company were not paid any other remuneration or commission.

**Managing Director and Executive Directors**

The Company pays remuneration to its Managing Director and Whole Time Director by way of salary, perquisites and allowances, based on the recommendation of the Committee, approval of the Board and shareholders. The Board, on the recommendation of the Remuneration Committee, approves the annual increments (effective from 1st April each year).

Details of Remuneration Paid to Executive & Non- Executive Directors:

(Amount in `)

Name	Position	Sitting Fees	Salary & Perks	Commission	Total
Mr. Narrindra Suranna	Chairman & Managing Director	Nil	26,40,000	Nil	26,40,000
Dr. R. Dasgupta*	Non Executive Director	30,000	Nil	Nil	30,000
Mr. R.K.Kothari	Whole Time Director	Nil	16,38,000	Nil	16,38,000
Mr. N.Guha	Non Executive Director	35,000	Nil	Nil	35,000
Mr. Nilay Guha	Non Executive Director	Nil	Nil	Nil	Nil
Mr. Samir Kumar Paul @	Non Executive Director	5,000	Nil	Nil	5,000

\* Dr. R.Dasgupta has resigned on 31.03.2014.

@ Resigned from the Board on 01st November, 2013.

**5.3.SHARE TRANSFER COMMITTEE :**

For the purpose of administrative convenience, the Board has constituted a separate Share Transfer committee to specifically look into the matters relating to Share Transfer / Transmission cases. The Composition of the Committee are :

Mr. Narrindra Suranna, Managing Director –Chairman

Mr. A.B.Chakrabartty, Company Secretary – Member

The Committee meets 14 times in the year 2013-14.

**5.4.INVESTORS' GRIEVANCE COMMITTEE :**

The Investors' Grievance Committee oversees and reviews redressal of shareholder and investors complaints like de materialization / re - materialization of shares, issue of duplicate shares, non receipt of dividend and other related matters.

To expedite the process and for effective resolution of grievances / complaints, the Committee has delegated powers to the Share Transfer Agents and its officials to redress all complaints / grievances / inquiries of the shareholders' / Investors'. It redresses the grievances / complaints of shareholders' / investors' under the supervision of the Company Secretary and Compliance Officer of the Company.

During the year ended 31st March, 2014, 02 investors complaints were received and all have settled / resolved.

**Composition:**

The Share Transfer & Investors Grievance Committee presently comprises of:

- Dr. R.Dasgupta – Chairman (Resigned w.e.f (31.03.2014))
- Mr. Narrindra Suranna – Member
- Mr. R.K.Kothari – Member

The Terms of reference of the Committee include the following:

- To specifically look into complaints received from the shareholders of the Company.
- To oversee the performance of the Registrar and Transfer Agent of the Company.
- To recommend measurements for overall improvement in the quality of services to the investors.

The Committee met 3 times during the year 2013-2014.

The attendance of each Member of the Committee is given below:

Sl.No	Name	Meeting held during the year	Meeting attended
1	Mr. Narrindra Suranna	3	3
2	Dr. R. Dasgupta	3	2
3	Mr. R.K.Kothari	3	3

## 6. DETAILS OF GENERAL MEETING :

### Annual General Meeting :

The last Three Annual General Meetings were held as under :

Financial Year	Date	Time	Venue	Special Resolution passed, if any.
2012-2013	26th September, 2013	10.30 A.M	Gyan Manch, 11 Pretoria Street, Kolkata - 700 071	None
2011-2012	28th September, 2012	02.30 P.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	None
2010-2011	12th November, 2011	10.00 A.M	Gyan Manch, 11 Pretoria Street, Kolkata – 700 071	Change of RTA

**6.1 Extraordinary / other General Meeting:** During the Financial Year 2013-2014, One extra ordinary general meeting was held on 06.08.2013, for the appointment of M/s. B.Mukherjee & Co., Chartered Accountants, (Firm Registration No. 302096E), Kolkata, as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of the existing Statutory Auditors M/s. D.C.Dharewa & Co., Chartered Accountants.

**6.2 Postal Ballot:** During the year under review one Special Resolution under section 180 (1)(a) was passed through Postal Ballot for hiving off of the Dhulagarh Unit of the Company situated at Village & Post: Chaturbhujkathi, P.S. Sankrail, Dist: Howrah, Pin – 711 302 and the results was declared on 23rd December, 2013. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

### 6.3 Pledge of Shares

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoters Group Shareholders during the Financial Year ended 31st March, 2014.

### 6.4 Review of legal compliance reports

During the year, the Board periodically reviewed reports placed by the management with respect to compliance of various laws applicable to the Company. The Internal Auditors also review the compliance status and report to the Audit Committee.

## 7. DISCLOSURES :

**7.1** Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large :-

There are no materially significant transactions made by the company with its promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company at large.

However, attention of the members is drawn to the disclosure of transactions with the related parties and transactions



as required under Accounting Standard (AS) 18 on Related Party Disclosures prescribed under the Companies Act, 1956 set out in Notes to financial statement no.36, forming part of the Annual Report.

**7.2 Details of Non compliance:-**

The company has complied with the requirements of the stock exchanges, SEBI and other authorities on all matters relating to capital market during last three years. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other authorities relating to the above.

**7.3 Disclosure of Risk Management :-**

The company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by Senior Executives.

**7.4 Compliance of Clause 49 :-**

The company has complied with the entire mandatory requirement to Clause 49 of the Listing Agreement executed with the Stock Exchanges. Comments on adoption of non-mandatory requirements are given at the end of this report.

**7.5 Proceeds from Issues, if any :- Not Applicable.**

**7.6 CEO and CFO Certification :-**

The Chairman and Managing Director (CEO) and Officiating Chief Financial Officer (CFO) have certified to the Board in accordance with clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2014. The same is reproduced below;

**Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification**

To,  
The Board of Directors,  
Kalpena Industries Ltd,  
2B, Pretoria Street,  
Kolkata – 700 071

Sub: CEO / CFO Certificate  
(Issue in accordance with provisions of Clause 49 of the Listing Agreement)

We have reviewed the Financial Statements and Cash Flow Statement for the financial year ended on 31st March, 2014 and that to the best of our knowledge and belief, we state that ;

- (a) i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee of the Board of Directors;
  - i) Significant changes , if any, that have occurred in the internal control over financial reporting during the year; During the financial year ended on 31st March, 2014, there were no significant changes in internal control over financial reporting.
  - ii) There have been no significant changes in accounting policies during the year;
  - iii) There have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting

Date : 30th May, 2014  
Place : Kolkata

Sd/-  
I.C.Dakalia  
Chief Financial Officer

Sd/-  
Narindra Suranna  
Chairman & Managing Director

## 8 CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

The Company has adopted the code of conduct for Senior Management and Directors. The code has been circulated to all the members of the Board and senior management and the same has been put on the Company's website. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Managing Director of the Company appointed in terms of the Companies Act, 1956 (i.e the CEO within the meaning of clause 49-V of the Listing Agreement) is annexed separately to this report.

## 9 MEANS OF COMMUNICATION :

### Financial Results

In compliance with the requirements of the Listing Agreement, the Company has intimated the financial results to the stock exchanges immediately after they are taken on record by the Board. Further coverage has been given for the benefit of the shareholders and investors by publication of the financial results in the leading national dailies like Economic Times / Financial Express / Business Standard etc., and a local vernacular newspaper circulated in the state of West Bengal. The results were also available on the company's website at <http://www.kalpenagroup.com>.

### BSE Corporate Compliance & Listing Centre (the "Listing Centre"):

The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre.

### SEBI Online Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are:

Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status

Brief profile and other information of the Directors seeking appointments / re - appointment at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is given as an annexure to the notice of ensuing Annual General Meeting.

Management Discussion and Analysis Report are given separately and forms part of Annual Report.

## 10 CODE OF INSIDER TRADING:

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Conduct for Prevention of Insider Trading" with objective of Preventing purchase and or sale of shares of the company by an insider on the basis of unpublished price sensitive information. Further the Trading Window has been closed for the Directors and Employees of the Company as per insider Trading Code in force in the Company.

## 11 GENERAL SHAREHOLDERS INFORMATION :

### (i) Annual General Meeting (AGM)

Day, Date & Time : Friday, the 26th September , 2014 at 04.00 P.M.

Venue : Gyan Manch, 11 - Pretoria Street, Kolkata – 700 071

(ii) **Date of Book Closure** : Monday, 22nd September, 2014 to Friday, 26th September, 2014  
(both days inclusive)

(iii) **Dividend Payment** : Credit / dispatch between 01st October, 2014 and 21st October, 2014, if declared at the AGM.

### (iv) Financial Calendar for Year 2014-2015 (tentative)

The Company follows the financial year from April to March.

For the quarter ending 30th June, 2014

For the quarter & half year ending 30th September, 2014

For the quarter & nine months ending 31st December, 2014

Within 45 days of the end of the quarter.

For the quarter & year ending 31st March, 2015 (Audited)

Within 60 days of the end of the Quarter/Year.

- (v) **Listing on Stock Exchanges:** The Shares of the Company are listed in the following Exchanges.

Name of the Stock Exchanges	Stock Code
The Bombay Stock Exchange Ltd.(BSE)	526409
The Calcutta Stock Exchange Association Ltd. (CSE)	10029050

The Company has paid the annual listing fees for the financial year 2014-15 to all the exchanges and has paid the custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2014-15.

- (vi) **Dematerialisation of Shares and Liquidity:**

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The ISIN No. for the Equity Shares of the Company is INE301C01010. As on 31st March, 2014, 16624956 shares representing 88.36% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the request of shares held in demat form, all the requests for nomination, change of address, NECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

- (vii) **Registrar & Transfer Agent:**

All communications related to share matters of the Company should be made to M/s. C B Management Services (P) Limited. Address of which is given below:

M/s. C B Management Services (P) Limited  
P-22- Bondel Road, Kolkata – 700 019  
Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6 700  
Fax: 033 2287 0263  
E mail: rta@cbmsl.co

- (viii) **Share Transfer System:**

Share transfers are generally registered within a maximum period of 10 days from the date of receipt provided the documents are complete in all respects. All transfers are first processed by the Transfer Agent and submitted to the "Share Transfer Committee" for approval thereafter. The authorized officials of the Company approve the transfer and duly transferred shares are returned to the shareholders.

The Company obtains a certificate from a practicing Company Secretary on half yearly basis to the effect that all the transfers are completed in the statutorily stipulated period. In compliance with clause 47 (c) of the Listing Agreements, a copy of the certificate so received is submitted to the stock exchanges, where the shares of the Company are listed.

The Company has appointed M/s. CB Management Services (P) Limited as a common agency for share registry work (both physical & electronic) in compliance of circular No. D&CC/FITTC/CIR15/2002 dated 27th December, 2002 issued by SEBI, for all matters connected with transfers and transmissions of shares and also dematerialization of shares and other related functions.

- (ix) **Investor Grievance Redressal System.**

The investor grievances against the company are handled by the Company's Registrar and Transfer Agents (RTA), in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advance computer systems for speedy redressal of investor's grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 15 days from the date of receipt of complaint for disposal of investor grievances.

A total of 02 Numbers of Investor's complaint / queries were received during the year under review and all were replied / resolved.

**(x) Unpaid / Unclaimed Dividend.**

In terms of Section 205A and 205C of the Companies Act, 1956, the company is required to transfer the amount of dividend remaining unpaid for a period of seven years from the date of transfer to the Investor Education and Protection Fund (IEPF). Dividend for the financial year ended 31st March, 2007, which remains unpaid or unclaimed, will be due for transfer to Investors Education and Protection Fund of the Central Government at the end of this year, pursuant to the provisions of Section 205C of the Companies Act, 1956. Members, who have not yet encashed their dividend warrants for the financial year 31st March, 2007 or any subsequent financial years, are requested to lodge their claims with the Company's Registrar & Share Transfer Agents without delay. Members are advised that no claims shall lie against the said fund or the company for the amounts of dividends so transferred to the said fund. As on 31st March, 2014, no amount is due for transfer to IEPF.

**(xi) Market Price Data :**

The shares of the company are currently traded at BSE. The Stock Market data from 1st April, 2013 to 31st March, 2014 are given below :

Months	Bombay Stock Exchange Limited				
	Monthly High Price	Monthly Low Price	Sensex highest	Sensex lowest	Volume of share traded
Apr-2013	52.80	40.00	19,622.68	18,144.22	25,596
May-2013	48.70	41.50	20,443.62	19,451.26	4,565
Jun-2013	47.80	32.05	19,860.19	18,467.16	10,118
Jul-2013	37.00	29.45	20,351.06	19,126.82	13,291
Aug-2013	34.95	27.15	19,569.20	17,448.71	10,457
Sep-2013	35.95	30.65	20,739.69	18,166.17	24,279
Oct-2013	34.90	29.75	21,205.44	19,264.72	10,427
Nov-2013	36.35	30.55	21,321.53	20,137.67	14,323
Dec-2013	37.00	32.10	21,483.74	20,568.70	45,189
Jan-2014	43.85	36.10	21,409.66	20,343.78	25,037
Feb-2014	40.70	34.70	21,140.51	19,963.12	9,048
Mar-2014	47.30	35.85	22,467.21	20,920.98	28,443

(xii) **Distribution Schedule as on 31.03.2014**

Range	Number of Shareholders		Shares held in each class	
	Number	%	Number	%
<b>Up to 500</b>	7140	93.77	860797	4.57
<b>501-1000</b>	196	2.57	153957	0.82
<b>1001-2000</b>	120	1.58	179779	0.95
<b>2001-3000</b>	53	0.70	127942	0.68
<b>3001-4000</b>	17	0.22	59528	0.32
<b>4001-5000</b>	20	0.26	90780	0.48
<b>5001-10000</b>	40	0.53	293224	1.56
<b>10001 and above</b>	26	0.37	17048579	90.62
<b>Total</b>	<b>7612</b>	<b>100 %</b>	<b>18814586</b>	<b>100 %</b>

(xiii) **Share Holding Pattern as on 31.03.2014**

Category	No. of Shareholders	No. of Shares Held	% of holding
Promoter's Holding			
i) Individual / HUF	6	152972	0.81 %
ii) Bodies Corporate	4	13700703	72.82 %
Total Promoter's Holdings	10	13853675	73.63 %
Non Promoter's Holding			
Mutual Funds / UTI	3	800	0.00 %
NRIs / FIIs / OCBs	217	98318	0.52 %
Private Body Corporate	118	2946228	15.66 %
Clearing Members	22	8558	0.05%
Indian Public	7242	1907007	10.14 %
Total Non Promoters Holdings	7602	4960911	26.37 %
<b>Total</b>	<b>7612</b>	<b>18814586</b>	<b>100 %</b>

(xiv) **Outstanding GDRs/ ADRs/ Warrants / Convertible Instruments and likely impact on Equity :**

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments to be converted into equity shares.

**(xv) Corporate Identity Number (CIN)**

The Company is registered with the Registrar of Companies ,Kolkata, West Bengal.The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L19202WB1985PLC039431

**(xvi) Reconciliation of Share Capital Audit**

A Qualified Practicing Company Secretary carried out the Quarterly Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The Report on Reconciliation of Share Capital confirms that the total issued/paid up capital is in agreement with the total number of shares.

**(xvii) Green Initiative In Corporate Governance**

As per the MCA Circular Nos. 17/2011 dated 21st April, 2011 & 18/2011 dated 29th April, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode, can register their e-mail addresses with the Company. As a responsible citizen, your Company strongly urges our shareholders to support the Green Initiative by giving positive consent by registering/ updating your email addresses with your respective Depository Participants or the Registrar and Transfer Agents of the Company, CB Management Services Private Limited for the purpose of receiving soft copies of various communications including the Annual Report.

**(xviii) Share Capital History of the Company:**

Security Description	Date of Allotment	No. of Shares	Issue Price		Distinctive Numbers	ISIN Code
			Value	Premium		
Subscribers to the Memorandum	03.09.1985	200	10	-	1-200	INE301C01010
Further Allotment to promoters and others	24.03.1987	200	10	-	201-400	INE301C01010
Further Allotment to promoters and others	11.11.1987	500	10	-	401-900	INE301C01010
Further Allotment to promoters and others	29.03.1988	399100	10	-	901-4,00,000	INE301C01010
Public Issue	27.10.1988	600000	10	-	4,00,001-10,00,000	INE301C01010
Public Issue	03.12.1993	4144000	10	5	10,00,001-51,44,000	INE301C01010
Right Issue	28.12.1993	2456000	10	5	51,44,001-76,00,000	INE301C01010
Amalgamation	27.06.2006	3953600	10	-	76,00,001-1,15,53,600	INE301C01010
Conversion of Warrants	12.08.2010	3000000	10	70	1,15,53,601-1,45,53,600	INE301C01010
Conversion of Warrants	17.09.2010	3000000	10	70	1,45,53,601-1,75,53,600	INE301C01010
Amalgamation	22.09.2010	9,40,986	10	-	1,75,53,601- 1,84,94,586	INE301C01010
Amalgamation	29.09.2011	3,20,000	10	-	1,84,94,587- 1,88,14,586	INE301C01010

**(xix) Plant Locations :**

<b>1. Kolkata Works</b>	i. Kandua, Vill.+P.O - Chaturbhujkathi, P.S.- Sankrail , Howrah - 711 302. W.B. - 743503, India. ii. Village - Bhasa, No. 14, P.O. & P.S. Bishnupur, Diamond Harbour Road, South 24 Parganas, W.B.- 743503, India. iii. Mouza-Dankuni Bill-Gobra & Beladanga P.S. Dankuni & Chanditala, Hooghly, West Bengal-712310
<b>2. Daman Works</b>	168/151-158, Dhabel Industrial Co- Operative Socceity Ltd, Dhabel, Daman - 396215, India
<b>3. Dadra Works</b>	Survey No.24/3, Village - Demini, Demini Road, Dadra, Dadra & Nagar Haveli - 396230, India.
<b>4. Bhiwadi Works</b>	A1163, Phase - IV, RIICO Industrial Area, Bhiwadi - 301019, Rajasthan.
<b>5. Falta Works</b>	Falta Special Economic Zone, Plot No-29, Sector-I, Village-Simulberia, Mouza-Bisra, Dist.-South 24 PGS.

**(xx) Address for correspondence :**

The shareholders may contact the Company / RTA on the following addresses :

General Correspondence :

1. Kalpena Industries Limited  
Secretarial Department,  
2B, Pretoria Street,  
Kolkata – 700 071  
Phone : 033 2282 3744 /45,  
Fax : 033 2282 3739  
E mail : kolkata@kalpena.co.in

Correspondence related to shares / queries / requests :

2. M/s. C B Management Services (P) Limited  
P-22- Bondel Road, Kolkata – 700 019  
Phone: 033 2280 6692 / 93/ 94/ 2486 / 4011 6700  
Fax: 033 2287 0263,  
E mail: rta@cbmsl.co

**Non Mandatory requirements of Corporate Governance.**

As required under non-mandatory requirements the Company has constituted Remuneration Committee. As regards Whistle – Blower mechanism, all employees have access to the Audit Committee. The Company's policies as regards adoption of other non- mandatory requirements shall be disclosed in the future Annual Report from time to time.

**Declaration regarding Affirmation of Code of Conduct.**

I hereby declare that, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(I)(D)(ii) of the Listing Agreement entered into with Stock Exchanges, for the year ended 31st March, 2014.

For Kalpena Industries Limited  
Sd/-

Place: Kolkata  
Date: 30th May, 2014

**Narrindra Suranna**  
Chairman and Managing Director



## **AUDITORS' CERTIFICATE OF COMPLIANCES WITH THE CORPORATE GOVERNANCE REQUIREMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT TO THE MEMBERS OF KALPENA INDUSTRIES LTD.**

We have examined the compliance of conditions of corporate governance by Kalpena Industries Ltd. for the year ended on 31st March, 2014 as stipulated in 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 review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an 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 management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

FOR B. MUKHERJEE & CO.  
CHARTERED ACCOUNTANTS,  
Firm Registration No. 302096E  
B. MUKHERJEE  
PARTNER  
(Membership No. 002941)

Place: Kolkata  
Date: 30th May 2014

# INDEPENDENT AUDITORS' REPORT

TO  
THE MEMBERS OF  
KALPENA INDUSTRIES LIMITED

## Report on the Financial Statements

We have audited the accompanying financial statements of Kalpena Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

FOR B. MUKHERJEE & CO.  
CHARTERED ACCOUNTANTS,  
Firm Registration No. 302096E

B. MUKHERJEE  
PARTNER  
(Membership No. 002941)

Place: Kolkata  
Date: 30th May 2014

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**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date**

- i) In respect of fixed assets
  - 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 in a phased periodical manner, 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) In respect of its inventories
  - 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 covered 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 covered 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. 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, therefore the provisions of Clause(vi) of paragraph 4 of the Order are not applicable to the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- viii) We have broadly reviewed the books of accounts maintained by the company in respect of product where pursuant to rules prescribed by the central government, the maintenance of cost records has been prescribed under clause (d) of subsection (1) of sec 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detail examination of the cost record with a view to determine whether they are accurate or complete.
- 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, 2014, 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, there are no material dues of Wealth tax, Income Tax, Service Tax, Custom Duty and Cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of, Sales tax, and Excise Duty, have not been deposited by the Company on account of disputes:

Name of Statute	Nature of Dues	Amount (Rs. In Thousands)	Period of which the amount relates	Forum where dispute is pending
Excise Act	Excise Duty	2,935	F.Y. 1996-97	CEGAT
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 loss 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 statute 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 financial institution during the year.
- xvi) According to the information & explanation 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) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- 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 B. MUKHERJEE & CO.  
CHARTERED ACCOUNTANTS,  
Firm Registration No. 302096E

B. MUKHERJEE  
PARTNER  
(Membership No. 002941)

Place: Kolkata  
Date: 30th May 2014

## BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

	Note	As at March 31st, 2014		As at March 31st, 2013	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholder's Funds</b>					
Share Capital	2	1,881.46		1,881.46	
Reserve and Surplus	3	21,209.79	23,091.25	19,806.93	21,688.39
<b>Non-current liabilities</b>					
Long-term borrowings	4	16,751.55		17,780.10	
Deferred tax liabilities (Net)	5	1,856.99		1,585.09	
Long-term provisions	6	23.65	18,632.19	24.37	19,389.56
<b>Current liabilities</b>					
Short-term borrowings	7	24,833.72		17,295.42	
Trade payables	8	8,001.70		7,484.46	
Other current liabilities	9	6,886.80		6,546.00	
Short-term provisions	10	263.49	39,985.71	278.21	31,604.09
<b>TOTAL</b>			81,709.15		72,682.04
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed assets</b>					
Tangible assets	11	17,960.38		20,779.64	
Intangible assets		35.02		42.19	
Capital work-in-progress		14,354.13	32,349.53	6,609.54	27,431.37
<b>Non-current investments</b>	12	253.60		253.60	
<b>Long-term loans and advances</b>	13	268.66	522.26	2,937.58	3,191.18
<b>Current assets</b>					
Inventories	14	13,345.15		12,239.11	
Trade receivables	15	27,043.75		22,193.88	
Cash and Bank Balances	16	2,053.30		2,245.36	
Short-term loans and advances	17	2,840.80		5,336.29	
Other current assets	18	3,554.36	48,837.36	44.86	42,059.50
<b>TOTAL</b>			81,709.15		72,682.04

Significant accounting policies 1

The accompanying notes are an integral part of the financial statement.

This is the Balance Sheet referred to in our report of even date.

For **B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No:302096E

**B. Mukherjee**  
Partner  
Membership No.002941  
Date : 30th May, 2014  
Place : Kolkata

For and on behalf of the Board of Directors  
**Narrindra Suranna**  
Chairman and Managing Director

**Rajesh Kumar Kothari**  
Whole Time Director

**A. B. Chakrabartty**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	Note	Year Ended March 31st, 2014	Year Ended March 31st, 2013
<b>INCOME</b>			
<b>REVENUE FROM OPERATIONS</b>	19	<b>1,36,692.70</b>	1,26,517.36
Less: Excise duty		<b>13,436.13</b>	9,831.29
Revenue from operations (net)		<b>1,23,256.57</b>	1,16,686.07
<b>Other Income</b>	20	<b>1,301.96</b>	1,323.25
<b>Total Revenue</b>		<b>1,24,558.53</b>	1,18,009.32
<b>EXPENSES</b>			
Cost of materials consumed	21	<b>1,07,008.23</b>	1,02,570.85
Changes in inventories of finished goods	22	<b>(106.29)</b>	(582.88)
Employee benefits expense	23	<b>1,670.40</b>	1,410.85
Finance costs	24	<b>3,853.78</b>	2,633.80
Depreciation and amortization expense		<b>1,522.78</b>	1,203.81
Less: Depreciation on amount added on revaluation		<b>14.48</b>	14.48
Other expenses	25	<b>7,814.97</b>	7,725.52
<b>Total expenses</b>		<b>1,21,749.39</b>	1,14,947.46
<b>Profit before exceptional and extraordinary items and tax</b>		<b>2,809.14</b>	3,061.86
<b>Exceptional &amp; extraordinary items</b>			
<b>Profit before tax</b>		<b>2,809.14</b>	3,061.86
<b>Tax expense:</b>			
Current Tax Expenses		<b>588.81</b>	641.78
Deferred Tax		<b>271.90</b>	423.02
<b>Profit for the year</b>		<b>1,948.43</b>	1,997.06
<b>Earnings per equity share: (Refer note no.29)</b>		<b>Rs.</b>	<b>Rs.</b>
Basic		<b>10.36</b>	10.61
Diluted		<b>10.36</b>	10.61

Significant accounting policies

1

The accompanying notes are an integral part of the financial statement.

This is the Statement of Profit &amp; Loss referred to in our report of even date.

For **B. Mukherjee & Co.**  
Chartered Accountants  
Firm Registration No:302096E

**B. Mukherjee**  
Partner  
Membership No.002941  
Date : 30th May, 2014  
Place : Kolkata

For and on behalf of the Board of Directors  
**Narrindra Suranna**  
Chairman and Managing Director

**Rajesh Kumar Kothari**  
Whole Time Director

**A. B. Chakrabarty**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	Year Ended March 31st, 2014		Year Ended March 31st, 2013	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax & Extra Ordinary Items		<b>2,809.14</b>		3,061.86
Add: Depreciation	<b>1,522.78</b>		1,189.32	
Loss on sale of Fixed Assets	<b>7.76</b>		6.08	
Bad debts / Advances Written off	<b>-</b>		2.86	
Finance Costs	<b>3,853.78</b>	<b>5,384.32</b>	2,538.44	3,736.70
		<b>8,193.46</b>		6,798.56
Less: Interest Income	<b>256.50</b>		387.81	
Revaluation Reserve	<b>14.48</b>		-	
Foreign Currency Translation Difference	<b>266.95</b>		-	
Foreign Currency Fluctuation Gain (Notional)		<b>537.93</b>		387.81
Operating Profit before Working Capital Changes		<b>7,655.53</b>		6,410.75
Adjustment for:				
Trade and Other Receivables	<b>(2,350.53)</b>		(1,483.66)	
Inventories	<b>(1,106.03)</b>		(3,507.18)	
Trade payables and other liabilities	<b>852.79</b>	<b>(2,603.77)</b>	1,428.31	(3,562.53)
Cash Generated before Extra Ordinary Items		<b>5,051.75</b>		2,848.22
Extra Ordinary Items		<b>-</b>		-
Cash Generated from Operations		<b>5,051.75</b>		2,848.22
Direct Tax paid (net of refunds)		<b>(603.53)</b>		(600.08)
<b>Net Cash Generated from Operating Activities (A)</b>		<b>4,448.23</b>		2,248.14
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of tangible/intangible assets		<b>(7,341.87)</b>		(12,370.55)
Sale of fixed assets		<b>50.00</b>		7.15
Interest Received		<b>255.23</b>		374.58
<b>Net Cash Generated from Investing Activities (B)</b>		<b>(7,036.65)</b>		(11,988.82)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings		<b>(1,028.55)</b>		11,592.51
Short Term Borrowings (net)		<b>7,538.30</b>		1,716.80
Interest Paid		<b>(3,853.78)</b>		(2,538.44)
Dividend Paid (Including Tax on Dividend)		<b>(259.61)</b>		(479.43)
<b>Net Cash Generated from Financing Activities (C)</b>		<b>2,396.37</b>		10,291.85



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

	Year Ended March 31st, 2014	Year Ended March 31st, 2013
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(192.06)</b>	551.17
Cash and Cash equivalents at the beginning of the year	<b>2,245.36</b>	1,694.19
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,053.30</b>	2,245.36

**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 of:

<i>Cash on Hand</i>	<b>77.97</b>	47.09
Balances with scheduled banks:		
- In Current Accounts	<b>912.07</b>	693.46
- In EEFC Accounts	<b>53.19</b>	164.42
- In Margin & Guarantee Deposit Accounts*	<b>949.68</b>	1,284.53
- In Unpaid Dividend Account *	<b>60.39</b>	55.86
	<b>2,053.30</b>	2,245.36

\* Balances not available for use by the Company

This is the Cash Flow Statement referred to in our report of even date.

For **B. Mukherjee & Co.**

*Chartered Accountants*

Firm Registration No: 302096E

**B. Mukherjee**

*Partner*

Membership No.002941

Date : 30th May, 2014

Place : Kolkata

*For and on behalf of Board of Directors*

**Narrindra Suranna**

*Chairman and Managing Director*

**Rajesh Kumar Kothari**

*Whole Time Director*

**A. B. Chakrabartty**

*Company Secretary*

## Notes to the financial statements for the year ended 31st March, 2014

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### i) Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

#### ii) 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.

#### iii) Tangible Fixed Assets

Fixed Assets including capital work in progress are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use.

Pre-operation expenses including trial run expenses (net of revenue) are capitalised. Net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

The Assets which are intended for sale and to be realised within one year are treated as Current Assets.

#### iv) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment loss, if any.

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

#### v) Depreciation and Amortisation

Depreciation includes amortisation. Depreciation on Tangible Fixed Assets has been provided on the Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956 on prorata

## Notes to the financial statements for the year ended 31st March, 2014

basis with reference to the date of addition. Technical Know How is amortised over a period of five years on straight line basis beginning from the financial year 2010-11 and Computer Software is amortised on straight line basis over a period of ten years.

### vi) Impairment of Tangible and Intangible Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### vii) Revenue Recognition:

Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, and includes raw material, sales & remission of Central Sales Tax and Vat Amount. Jobs charges is recognised as per terms of contract. Sales includes amounts recovered towards excise duty and are net of returns. Revenue from sale of scrap is recognised as and when scrap is sold.

Other income and expenditure are recognised and accounted on accrual basis except Export incentives which are recognised as and when received.

### viii) Foreign currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

All items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, the same are carried to Reserve & Surplus under "Foreign Currency items Translation Difference Account" and will be amortized over a period of years as per "Accounting Standard-11"

### ix) Financial Derivatives Hedging Transactions

In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognised in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

Derivatives contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements.

### x) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long Term Investments are stated at cost less written down for any diminution, other than temporary, in carrying value. Current investments are stated at lower of cost and quoted value.

### xi) Inventories

**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. Net realisable value is the estimated

## Notes to the financial statements for the year ended 31st March, 2014

selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**Finished Goods:** Inventories are valued at 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.

### xii) Retirement and other Employee Benefits

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

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.

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.

### xiii) 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.

### xiv) Current and deferred tax

Provision for current income tax is made in accordance with the provisions of the Income-tax Act, 1961.

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

Provision for wealth tax liability is estimated in accordance with Wealth Tax Act, 1957

### xv) Provisions and Contingent Liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### xvi) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period after deducting any attributable tax thereto for the period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## Notes to the financial statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at March 31st, 2014	As at March 31st, 2013
<b>2. SHARE CAPITAL</b>		
<b><u>Authorised</u></b>		
3,06,00,000 (Previous Year : 3,06,00,000) Equity Shares of Rs 10/- each	<b>3,060.00</b>	3,060.00
<b><u>Issued, Subscribed &amp; Paid Up</u></b>		
1,88,14,586 (Previous Year : 1,88,14,586) Equity Shares of Rs 10/- each	<b>1,881.46</b>	1,881.46
	<b>1,881.46</b>	<b>1,881.46</b>

**i) Terms/ Rights attached to Equity Shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion of their shareholding.

The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2014, the amount of dividend recognised as distribution to equity shareholders is ₹ 1.20 per share.

**ii) Reconciliation of the number of shares****Equity Shares:**

	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	1,88,14,586	1,881.46	1,88,14,586	1,881.46
Add: Shares Issued during the year	Nil	–	–	–
Less: Shares bought back	Nil	–	–	–
Balance as at the end of the year	<u>1,88,14,586</u>	<u>1,881.46</u>	<u>1,88,14,586</u>	<u>1,881.46</u>

**iii) Details of equity shares held by shareholders holding more than 5% shares:**

<u>Name of Share Holder</u>	<u>Number of Shares</u>	<u>% holding</u>	<u>Number of Shares</u>	<u>% holding</u>
Shriram Financial Consultants Pvt. Ltd	89,57,034	47.61%	89,57,034	47.61%
Shyambaba Trexim Pvt. Ltd.	31,10,336	16.53%	31,10,336	16.53%
Subh Labh Vintrade Pvt. Ltd	15,50,000	8.24%	15,50,000	8.24%
Inbara Holdings Pvt. Ltd	14,50,000	7.71%	14,50,000	7.71%

## Notes to the financial statements for the year ended 31st March, 2014

(₹ in Lacs)

iv) **Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date:**

Number of Equity Shares of Rs. 10/- each allotted as fully paid up pursuant to contract

(Scheme of Amalgamation/ Arrangements) without

payment being received in Cash

	<u>52,14,586</u>		<u>52,14,586</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31st, 2014</u>		<u>March 31st, 2013</u>	
<b>3. RESERVE AND SURPLUS</b>				
<b>Capital Reserve</b> (Balance as per last account)	12.91		12.91	
<b>Securities Premium Account</b> (Balance as per last account)	5,322.45		5,322.45	
<b>Amalgamation Reserve</b> (Balance as per last account)	840.05		840.05	
<b>Foreign Currency Monetary Item Translation Difference Account</b>				
Balance as per Last Account	—		—	
Exchange Gain/(Loss) during the year	(311.44)		—	
Amortization during the year	<u>44.49</u>	(266.95)	<u>—</u>	—
<b>Revaluation Reserve</b>				
Balance as at the beginning of the year	197.25		211.73	
Less: Depreciation arising out of revaluation	<u>14.48</u>	182.77	<u>14.48</u>	197.25
<b>General Reserve</b>				
Balance as at the beginning of the year	2,943.18		2,543.18	
Add: Transfer from Surplus in Statement of Profit and Loss during the year	<u>456.82</u>	3,400.00	<u>400.00</u>	2,943.18
<b>Surplus in Statement of Profit and Loss</b>				
Balance as at the beginning of the year	10,491.09		9,158.17	
Add: Profit for the year	<u>1,948.43</u>		<u>1,997.07</u>	
	12,439.52		11,155.24	
<b>Less: Appropriation</b>				
Proposed Dividend on Equity Shares	225.77		225.78	
Tax on Proposed Dividend	38.37		38.37	
Transferred to General Reserve	<u>456.82</u>	11,718.56	<u>400.00</u>	10,491.09
	<u>21,209.79</u>		<u>19,806.93</u>	
<b>4. LONG TERM BORROWINGS</b>	<b><u>Non Current</u></b>	<b><u>Current</u></b>	<b><u>Non Current</u></b>	<b><u>Current</u></b>
<b><u>Secured</u></b>				
Term Loan from Banks	<b>14,938.17</b>	<b>5,180.12</b>	17,410.07	3,886.91
Term Loan from Others	<b>28.93</b>	<b>7.03</b>	29.28	6.36
<b><u>Unsecured</u></b>				
Other Loans	<b>1,784.45</b>	—	340.75	—
	<b>16,751.55</b>	<b>5,187.15</b>	17,780.10	3,893.27

## Notes to the financial statements for the year ended 31st March, 2014

- i) Terms of repayment of long-term borrowings are as follows: (₹ in Lacs)

**Term Loans from Banks**

- a) USD 3.75 million equivalent to ₹ 2056.87 lacs (31.03.2013: USD 6.25 million equivalent to ₹ 2921.89 lacs) loan is secured by exclusive charge on 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. and is repayable in 16 equal quarterly installments; the next installment is due on 30th May, 2014.
- b) USD 16.03 million equivalent to ₹ 8893.47 lacs (31.03.2013: USD 19 million equivalent to ₹ 10526.00 lacs) loan is secured by 1st pari passu charge by way of equitable mortgage over all present and future movable and immovable properties located at Surangi Unit and all present and future movable properties located at Daman & Falta Unit. and is repayable in 16 equal quarterly installments; the next installment is due on 20th April, 2014.
- c) USD 4.48 million equivalent to ₹ 2690.54 lacs (31.03.2013: USD 3.92 million equivalent to ₹ 2145.25 lacs), EURO 3.41 million equivalent to ₹ 2814.91 lacs (31.03.2013: EURO 1.41 million equivalent to ₹ 1003.84 lacs) and Indian rupee loan amounting ₹ 3662.50 lacs (31.03.2013: ₹ 4700.00 lacs) is secured by pari passu charge on movable and immovable assets of Dankuni Unit in Kolkata and is repayable in 16 equal quarterly installments; the next installment is due on 27th April, 2014.

**Term Loan from Others**

- a) Indian rupee loan amounting ₹ 35.96 lacs (31.03.2013: ₹ 35.64 lacs) is secured by Hypothecation against Motor Car and repayable in 60 equal monthly installments.

	As at March 31st, 2014	As at March 31st, 2013
<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred tax liability</b>		
Depreciation Expenses	1,856.99	1,585.09
<b>Net Deferred tax liability</b>	<b>1,856.99</b>	<b>1,585.09</b>
<b>6. LONG-TERM PROVISIONS</b>		
<u>Provision for employee benefits:</u>		
Provision for gratuity (net)	23.65	24.37
	<b>23.65</b>	<b>24.37</b>
<b>7. SHORT-TERM BORROWINGS</b>		
<b><u>Secured</u></b>		
Loan repayable on demands From Banks*	23,333.72	17,295.42
<b><u>Unsecured</u></b>		
Short term loan from Bank	1,500.00	—
	<b>24,833.72</b>	<b>17,295.42</b>

\* Includes Buyers Credit and Packing Credit



## Notes to the financial statements for the year ended 31st March, 2014

- i) Working Capital Loans from Banks are secured by way of hypothecation of stocks of raw materials, work-in-progress, finished goods, stores & spares and book debts of the Company. Mortgage of Flat located at D-403, Dharam Palace, CHS Limited, Shantivan, Borivalli (E), Mumbai-400066, on First Pari-passu basis. 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.

(₹ in Lacs)

	As at March 31st, 2014	As at March 31st, 2013
<b>8. TRADE PAYABLES</b>		
Acceptances - Secured (Refer Note (i) below)	1,499.44	591.38
Sundry Creditors (Refer Note (ii) & (iii) below)	6,502.26	6,893.08
	<b>8,001.70</b>	<b>7,484.46</b>
i) Secured by way of hypothecation of stocks & book debts in favour of the company's bankers		
ii) <b>Sundry Creditors:</b>		
Sundry creditors for goods	5,655.69	6,119.36
Sundry creditors for expenses	846.57	773.72
	<b>6,502.26</b>	<b>6,893.08</b>
iii) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Act 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said act has not been given.		
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of Long term debt (Refer Note No.4)	5,187.14	3,893.28
Unpaid Dividend (Refer Note (i) below)	60.39	55.86
Statutory dues including provident fund and tax deducted at source	139.68	45.21
Creditors for Capital Expenditure	292.32	1,810.90
Advance from customers	140.86	214.09
Other Liabilities	1,066.41	526.66
	<b>6,886.80</b>	<b>6,546.00</b>
i) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 205C of the Companies Act, 1956 as at the year end.		
<b>10. SHORT- TERM PROVISIONS</b>		
Provision for taxation (Net of tax payments)	(0.65)	14.07
Provision for proposed dividend on equity shares	225.78	225.77
Provision for tax on proposed dividends	38.37	38.37
	<b>263.49</b>	<b>278.21</b>

## Notes to the financial statements for the year ended 31st March, 2014

**NOTE - 11****FIXED ASSETS**

(₹ in Lacs)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-04-2013	Addition during the year	Sales during the year	As at 31-03-2014	As at 01-04-2013	For the year	Adjustment for Sales	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
<b>TANGIBLE ASSETS :</b>										
Free hold land	2,809.88	4.60		2,814.48	-	-		-	2,814.48	2,809.88
Factory Building	7,379.30	283.20		7,662.50	718.48	252.20		970.68	6,691.82	6,660.82
Plant & Machinery	13,323.42	1,524.00	74.57	14,772.85	3,800.65	1,051.66	16.81	4,835.49	9,937.35	9,522.78
Furniture & Fixture	158.70	7.64		166.34	43.91	10.28		54.19	112.15	114.79
Motor Car	340.57	-		340.57	95.40	32.75		128.15	212.41	245.17
Scooter, Moped & Cycle	4.22	-		4.22	3.10	0.35		3.45	0.77	1.12
Laboratory Equipment	165.39	60.56		225.96	123.93	7.90		131.83	94.13	41.46
Electrical Installation	1,698.02	368.76		2,066.78	430.14	139.92		570.06	1,496.72	1,267.88
Office Equipment	108.12	4.54		112.66	52.92	7.94		60.86	51.80	55.20
Air Conditioner	43.18	1.41		44.59	13.62	2.10		15.72	28.87	29.56
Computer	118.34	10.25		128.59	87.36	13.13		100.49	28.10	30.98
<b>Total</b>	<b>26,149.15</b>	<b>2,264.97</b>	<b>74.57</b>	<b>28,339.54</b>	<b>5,369.50</b>	<b>1,518.24</b>	<b>16.81</b>	<b>6,870.93</b>	<b>21,468.62</b>	<b>20,779.64</b>
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)									3,508.24	-
<b>Total (A)</b>	<b>26,149.15</b>	<b>2,264.97</b>	<b>74.57</b>	<b>28,339.54</b>	<b>5,369.50</b>	<b>1,518.24</b>	<b>16.81</b>	<b>6,870.93</b>	<b>17,960.38</b>	<b>20,779.64</b>
<b>INTANGIBLE ASSETS:</b>										
Technical Knowhow	40.90			40.90	20.45	4.09		24.54	16.36	20.45
Computer Software	30.74			30.74	9.00	3.07		12.07	18.67	21.74
<b>Total (B)</b>	<b>71.64</b>	<b>-</b>	<b>-</b>	<b>71.64</b>	<b>29.45</b>	<b>7.16</b>	<b>-</b>	<b>36.61</b>	<b>35.02</b>	<b>42.19</b>
Depreciation transferred to CWP (C.)						2.62				
<b>Total(A+B-C)</b>	<b>26,220.79</b>	<b>2,264.97</b>	<b>74.57</b>	<b>28,411.19</b>	<b>5,398.95</b>	<b>1,522.78</b>	<b>16.81</b>	<b>6,907.54</b>	<b>17,995.40</b>	<b>20,821.83</b>
Previous Year	15,294.34	10,960.54	34.10	26,220.78	4,216.03	1,203.81	20.87	5,398.98	20,821.83	
Capital Work-in-Progress									14,354.13	6,609.54

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.

## Notes to the financial statements for the year ended 31st March, 2014

(₹ in Lacs)

12. NON-CURRENT INVESTMENTS	Face Value Rs.	As at March 31st, 2014		As at March 31st, 2013	
		No. of Shares	Amount	No. of Shares	Amount
<b>A) Trade investments</b>					
i) Investments in Equity instruments of other entities					
<b>Quoted</b>					
Kalpena Plastiks Limited	10/-	20,02,920	200.29	20,02,920	200.29
<b>B) Other Investments</b>					
i) Investments in Equity instruments of other entities					
<b>Quoted</b>					
Dena Bank*	10/-	14	0.00	14	0.00
Nicco Corporation Ltd. *	2/-	8,26,194	50.65	8,26,194	50.65
<b>Unquoted</b>					
Sterling Resorts Ltd.			1.31		1.31
Panchawati Holiday Resorts Ltd.	10/-	9,400	0.94	9,400	0.94
ii) Investments in Government or trust securities					
7 Year National Saving Certificate			0.30		0.30
Indira Vikash Patra			0.00		0.00
5.5 Year Kissan Vikash Patra			0.10		0.10
			<b>253.60</b>		<b>253.60</b>
<b>Aggregate Book Value of Investments</b>					
Quoted			250.95		250.95
Unquoted			2.65		2.65
			<b>253.60</b>		<b>253.60</b>
Aggregated Market Value of quoted Investments			<b>71.24</b>		<b>167.22</b>

\* Amount is below the rounded off norms as adopted by the company.

- i) No provision has been made for the diminution of ₹ 179.71 lacs in the valuation of investments determined on individual basis, held by the company as the same is considered temporary in nature as the investments have been made for a long term.
- ii) National Saving Certificates and Kissan Vikas Patra have been lodged with various authorities as margin deposit and security money.

**13. LONG TERM LOANS AND ADVANCES****Unsecured, Considered Good**

Capital advances	100.20	2,765.28
Security Deposits	168.46	172.30
	<b>268.66</b>	<b>2,937.58</b>

## Notes to the financial statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at <u>March 31st, 2014</u>	As at <u>March 31st, 2013</u>
<b>14. INVENTORIES</b>		
(As taken, valued and certified by the management)		
At cost or net realisable value, whichever is lower		
Raw Materials	9,803.94	7,441.18
Raw Materials in Transit	455.39	2,402.90
Finished Goods	2,721.04	2,199.12
Stores & Spares	364.78	195.91
	<u><b>13,345.15</b></u>	<u><b>12,239.11</b></u>
(i) Details of closing finished goods inventories		
PE Compound	<b>1,635.01</b>	1,703.93
PVC Compound	<b>226.62</b>	341.02
Agglomerates	<b>36.42</b>	94.68
Reprocessed Granules	<b>0.01</b>	7.35
Others	<b>822.98</b>	52.15
	<u><b>2,721.04</b></u>	<u><b>2,199.13</b></u>
<b>15. TRADE RECEIVABLES</b>		
(Unsecured-considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment	569.87	1,210.54
Others	26,473.88	20,983.34
	<u><b>27,043.75</b></u>	<u><b>22,193.88</b></u>
<b>16. CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash on Hand (As certified by the management)	77.97	47.09
<b>Balances with banks</b>		
In Current Accounts	912.07	693.46
In EEFC Accounts	53.19	164.42
In Margin & Guarantee Deposits	949.68	1,284.53
In Unpaid Dividend Account	60.39	55.86
	<u><b>2,053.30</b></u>	<u><b>2,245.36</b></u>

## Notes to the financial statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at <u>March 31st, 2014</u>	As at <u>March 31st, 2013</u>
<b>17. SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured -Considered good)</b>		
(Recoverable in cash or kind or for value to be received)		
Prepaid Expenses	107.28	63.61
Balance with Government Authorities	2,149.40	3,179.42
Inter-corporate deposits	166.88	296.02
Advance to Suppliers	214.90	823.99
Other Loans and Advances	202.34	973.25
	<u><b>2,840.80</b></u>	<u><b>5,336.29</b></u>
<b>18. OTHER CURRENT ASSETS</b>		
Interest accrued on deposits	46.13	44.86
Tangible Fixed Assets (Intended for sale to be realised within 1 Year)	3,508.23	
	<u><b>3,554.36</b></u>	<u><b>44.86</b></u>
<b>19. REVENUE FROM OPERATIONS</b>		
Sale of products (Refer Note (i) below);	1,36,692.70	1,26,513.42
Job Work Income	-	3.94
	<u><b>1,36,692.70</b></u>	<u><b>1,26,517.36</b></u>
Less : Excise Duty	<u><b>13,436.13</b></u>	<u>9,831.29</u>
	<u><b>1,23,256.57</b></u>	<u><b>1,16,686.07</b></u>
<b>(i) Particulars of sale of products:</b>		
Particulars		
PE Compound	91,982.54	64,229.46
PVC Compound	39,435.67	33,819.20
Others	5,274.49	28,468.70
	<u>1,36,692.70</u>	<u>1,26,517.36</u>
<b>20. OTHER INCOME</b>		
<b>Interest Income</b>		
Interest Income	256.50	387.81
Export Incentive	92.77	162.53
Insurance Claim received	83.44	19.31
Rent	-	0.24
Miscellaneous Receipts	5.99	0.75
Commission Received	863.26	752.61
	<u><b>1,301.96</b></u>	<u><b>1,323.25</b></u>

## Notes to the financial statements for the year ended 31st March, 2014

(₹ in Lacs)

	As at March 31st, 2014	As at March 31st, 2013
<b>21. COST OF MATERIALS CONSUMED</b>		
<b>Raw materials consumed</b>		
LLDPE/ LDPE	55,867.03	44,965.62
PVC Resin	7,713.36	11,049.16
Plastic Scrap	4,789.14	3,299.55
Other items	38,638.70	43,256.52
	<b>1,07,008.23</b>	<b>1,02,570.85</b>
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening inventories of Finished Goods	2,199.12	1,616.24
Less: Closing inventories of Finished Goods	2,305.41	2,199.12
(Increase)/ Decrease	<b>(106.29)</b>	<b>(582.88)</b>
<b>23. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries Wages & Bonus	1,534.98	1,295.04
Contribution to Provident and other Funds	50.31	39.60
Staff Welfare Expenses	85.11	76.21
	<b>1,670.40</b>	<b>1,410.85</b>
<b>24. FINANCE COSTS</b>		
(a) Interest on borrowings	3,328.72	2,445.21
(b) Interest on others	484.01	4.43
(c) Other borrowing cost	41.05	184.16
	<b>3,853.78</b>	<b>2,633.80</b>
<b>25. OTHER EXPENSES</b>		
Consumption of stores and spares	148.45	299.57
Power & Fuel	1,962.28	1,980.73
Clearing and Forwarding charges	915.41	1,071.98
Rent	222.13	261.36
Repair & Maintenance - Building	8.64	21.38
Repair & Maintenance - Machinery	341.16	278.34
Repair & Maintenance - Others	56.73	49.87
Insurance Charges	83.30	91.01
Rates & Taxes	31.18	20.71
Carriage and freight	873.88	962.31
Payments to auditors (Refer Note (i) below)	4.25	4.18
Loss on sale of fixed assets	7.76	6.08
Selling & Distribution Expenses	2,562.27	2,049.45
Miscellaneous expenses	597.53	628.55
	<b>7,814.97</b>	<b>7,725.52</b>
<b>(i) Auditors' remuneration and expenses</b>		
Audit fees	2.95	2.95
Tax audit fees	0.55	0.55
Fees for other services	0.75	0.62
Reimbursement of out-of-pocket expenses	-	0.06
	<b>4.25</b>	<b>4.18</b>

## Notes to the financial statements for the year ended 31st March, 2014

(₹ in Lacs)

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
<b>26. CONTINGENT LIABILITIES</b>		
Bank Guarantee	526.09	411.32
<b>Claims against the company not acknowledged a debts.</b> <b>(Refer Note No.(i) below)</b>		
Sales Tax Matters	1,240.18	1,240.18
Excise and Custom Duty Matters	29.35	29.35
<b>Total</b>	<b><u>1,795.62</u></b>	<b><u>1,680.85</u></b>
(i) Future cash flows in respect of the above are determinable only on receipt of judgements/decision pending with various forums/authorities		
<b>27. CAPITAL AND OTHER COMMITMENTS</b>		
<b>Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed and not provided for (Net of advances)	110.00	3,718.17
<b>Other commitments</b>		
Letter of Credit	4,774.19	3,971.49
<b>Total</b>	<b><u>4,884.19</u></b>	<b><u>7,689.66</u></b>
<b>28. EARNINGS PER SHARE</b>		
a) <b>Net Profit after Tax for basic earnings per Share</b> (Fully Attributable to Equity Share Holders)	1,948.43	1,997.06
Adjustments for the purpose of Diluted earnings per Share	-	-
Net Profit after Tax for Diluted earnings per Share.	1,948.43	1,997.06
b) <b>Weighted average number of equity Shares</b> <b>for Earning per Share Computation</b>		
i Number of equity Shares at the beginning of the Year	1,88,14,586	1,88,14,586
ii a) Number of equity Shares allotted during the Year	-	-
b) Number of Equity Shares to be allotted on amalgamation.	-	-
iii weighted average Number of Equity Shares allotted during the year.	-	-
iv Number of Potential Equity Shares	-	-
v Weighted average for:		
a) Basic Earning per Share	1,88,14,586	1,88,14,586
b) Diluted Earning per Share	1,88,14,586	1,88,14,586
c) <b>Earning Per Share</b>		
i Basic	10.36	10.61
ii Diluted	10.36	10.61
d) <b>Face Value Per Share</b>	₹ 10	₹ 10

## Notes to the financial statements for the year ended 31st March, 2014

## 29. VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

(₹ in Lacs)

Particulars	March 31, 2014		March 31, 2013	
		% of Total Consumption		% of Total Consumption
<b>Raw Materials</b>				
i Imported	32,071.12	30%	41,028.34	40%
ii Indegenious	74,937.11	70%	61,542.51	60%
	<b>1,07,008.23</b>	<b>100%</b>	<b>1,02,570.85</b>	<b>100%</b>
<b>Stores, spare parts and components</b>				
i Imported	99.13	22%	65.75	22%
ii Indegenious	233.82	78%	233.82	78%
	<b>332.95</b>	<b>100%</b>	<b>299.57</b>	<b>100%</b>

## 30. VALUE OF IMPORTS ON CIF BASIS

<u>Particulars</u>	<u>March 31, 2014</u>	<u>March 31, 2013</u>
Raw Materials	32,071.12	42,715.54
Stores, spare parts and components	99.13	65.75
Capital Goods	2,225.05	7,681.21
	<b>34,395.30</b>	<b>50,462.51</b>

## 31. EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

Exports at F.O.B. Value	20,698.55	16,687.95
<b>Total</b>	<b>20,698.55</b>	<b>16,687.95</b>

## 32. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Travelling	18.88	53.70
Exhibition	16.36	13.48
Interest	2,142.28	711.46
Other matters	45.72	1.09
<b>Total</b>	<b>2,223.24</b>	<b>779.73</b>



## Notes to the financial statements for the year ended 31st March, 2014

## 33. EMPLOYEE BENEFITS

- i Provision for defined contribution plan viz. Provident and Other Fund amounting to ₹ 50.30 lacs (Previous Year ₹ 39.60 lacs) 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. (₹ in Lacs)

Particulars	March 31, 2014	March 31, 2013
<b>Changes in present value of obligation</b>		
Present value of obligation as at beginning of the year	93.90	81.52
Add: Present obligation of transferor company		
Interest cost	9.10	7.89
Current service cost	17.57	14.29
Past Service Cost		
Benefits paid	(7.58)	(1.78)
Actuarial (gain) / loss on obligation	(4.67)	(8.04)
<b>Present value of obligation as at end of the year</b>	<b>108.32</b>	<b>93.90</b>
<b>Changes in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	69.53	60.46
Expected return on plan assets	6.94	5.85
Contributions	15.85	4.98
Benefits paid	(7.58)	(1.78)
Actuarial (loss) / gain	(0.07)	0.02
<b>Fair value of plan assets at the end of the year</b>	<b>84.67</b>	<b>69.53</b>
<b>Present value of the Defined Benefit Obligation and the fair value of Plan Assets</b>		
Present value of obligation at the end of the year	108.32	93.90
Fair value of plan assets at the end of the year	84.67	69.53
<b>Liabilities/ (Assets) recognised in the Balance Sheet</b>	<b>23.65</b>	<b>24.37</b>

- 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 (₹ in Lacs)

Particulars	March 31, 2014	March 31, 2013
Current service cost	17.57	14.29
Past Service Cost	-	-
Interest cost on benefit obligation	9.10	7.89
Expected Return on Plan Assets	(6.94)	(5.85)
Net actuarial (gain) / loss recognised in the year	(4.59)	(8.06)
<b>Expenses recognised in the profit and loss account</b>	<b>15.14</b>	<b>8.28</b>

## Notes to the financial statements for the year ended 31st March, 2014

- v The principal assumptions used in determining gratuity and leave encashment for the Company's plans are shown below. (₹ in Lacs)

Particulars	March 31, 2014	March 31, 2013
Discount Rate	8.25%	8.00%
Expected Rate of return on Asset	9.00%	8.00%
Future Salary Escalation Rate	5.00%	5.00%
Mortality Rate	24.09	22.70

\*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.

**34. PARTICULARS OF FORWARD CONTRACT OUTSTANDING AND UN-HEDGED FOREIGN CURRENCIES EXPOSURE:** (₹ in Lacs)

Particulars		2013-14	2012-13
i) Forward Contract outstanding			
Foreign Currency Loan	USD	1,97,81,250	25,250,000
	`	10,950	13,448
ii) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk on its capital account. Such transactions are governed by the strategy approved by the Board of Directors which provides principles on the use of these instruments, consistent with the Company's Risk Management Policy. The Company does not use these contracts for speculative purposes.			
Outstanding derivative contract for Interest Rate and Currency Swaps	USD	19,781,250	25,250,000
	`	10,950	13,448
iii) Un-hedged Foreign Currency Exposure			
a) Foreign Currency Loan	USD	1,07,77,015	-
	`	6,477	-
	EURO	34,08,850	-
	`	2,815	-
b) Trade payables	USD	20,054,215	1,855,807
	`	12,053	1,017
	EURO	346,007	-
	`	286	-
	AED	-	3,033,532
	`	-	463
	CHF	-	-
	`	-	-
c) Trade receivables	USD	5,087,948	5,296,030
	`	3,058	2,852
	EURO	803,097	302,805
	`	663	212
d) Other Liabilities	USD	256,003	-
	`	154	-

## Notes to the financial statements for the year ended 31st March, 2014

## 35. 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):** (₹ in Lacs)

Particulars	March 31, 2014	March 31, 2013
<b>Segment Revenue</b>		
Domestic	1,02,558.02	99,998.12
Overseas	20,698.55	16,687.95
<b>Segment Assets</b>		
<b>Trade Receivables</b>		
Domestic	23,056.29	18,959.25
Overseas	3,987.46	3,234.63

**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.

## 36. RELATED PARTY DISCLOSURES

As per Accounting Standard 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.

- i Related Parties with whom the company had transactions during the year

**Key Management Personnel :** Mr. Narrindra Suranna, Mr. Rajesh Kothari

**Relatives of Key Management Personnel :** Mrs. Tara Devi Surana, Mrs. Sarla Devi Surana, Mr. Surendra Kumar Surana, Mr. Dev Krishna Surana

**A Shareholder holding more than 20% of Equity Shares of the Company :** Shriram Financial Consultants Pvt. Ltd

- ii Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014 (₹ in Lacs)

		March 31, 2014	March 31, 2013
<b>(A) Key Management Personnel</b>			
Remuneration Paid	Mr. Narrindra Suranna	26.40	24.00
	Mr. Rajesh Kothari	16.38	15.19
Dividend Paid	Mr. Narrindra Suranna	0.00*	0.00*
Outstanding as at the year end			-
<b>(B) Relatives of Key Management Personnel</b>			
Dividend Paid	Mrs. Tara Devi Surana	0.00*	0.00*
	Mrs. Sarla Devi Surana	0.00*	0.00*
	Late Dalam Chand Surana	0.18	0.18
	Mr. Surendra Kumar Surana	0.01	0.01
	Mr. Dev Krishna Surana	1.64	1.64
<b>(C) A Shareholder holding more than 20% of Equity Shares of the Company</b>			
Dividend Paid	Shriram Financial Consultants Pvt. Ltd	107.48	107.48

\* The amount is below the roundoff norms as adopted by the Company.

## Notes to the financial statements for the year ended 31st March, 2014

37. The provision for Income Tax has been made U/s 115JB of Income Tax Act.

38. Previous years figures have been reclassified to confirm to current years classifications.

For **B. Mukherjee & Co.**

*Chartered Accountants*

Firm Registration No: 302096E

**B. Mukherjee**

*Partner*

Membership No. 002941

Date : 30th May, 2014

Place : Kolkata

*For and on behalf of Board of Directors*

**Narrindra Suranna**


*Chairman and Managing Director*

**Rajesh Kumar Kothari**

*Whole Time Director*

**A. B. Chakrabartty**

*Company Secretary*



## Highlights of Flexible Packaging Project

The Flexible Packaging unit is located at Dankuni, West Bengal which is about 30 Kms from Kolkata City with easy access to Airport, River port, Railways and surface transport network.

The unit has all sophisticated and modern machineries of international standard with sufficient experienced technical personnel to take care of the operation process. The special features includes:-

- ✓ **Ultra modern flexible packaging manufacturing facilities with BRC/HACCP /SEDEX compliance.**
- ✓ **7 layer film plant which can produce minimum 1 $\mu$  of barrier layer PA6 /EVOH. Which can replace with traditional high gsm 3 layer Lamination film.**
- ✓ **Several patented specialty PE films in 7 & 3 layer.**
- ✓ **Ability to produce 18  $\mu$  barrier film and 16  $\mu$  lamination film.**
- ✓ **Tandem extrusion lamination with Auto Die from EDI and Auto gauging from Thermo fisher. Resulting in excellent lamination without any gsm variation and flat films.**
- ✓ **Rotogravure & Flexo printing facilities under one roof.**
- ✓ **Solvent base & solvent free lamination with cold seal.**
- ✓ **Sophisticated R&D and quality assurance department, equipped with Mocon WVTR/OTR, UTM, GC, etc.**
- ✓ **Patented pouches for liquid, powder and paste.**
- ✓ **Sustainability packaging solutions.**
- ✓ **Professional team having average experience in processing industry of more than 15 years.**



## Flexible Packaging Project

### RIGHT MACHINERY FOR RIGHT PACKAGING

#### 7 & 3 layer High barrier Blown Film Plant



7 layer from W & H & 3 Layer Blown Film plant from Windsor / Kuhne

#### Printing



Bobst 8 color 4003 rotogravure printing & 10 colour Uteco Flexographic Printing Press with 450 mtr speed with registered UV

#### Lamination



Nord Mechanica Solvent free, Solvent Base & Water Base Lamination 400 mtrs p/m speed with cold seal

#### Co Extrusion



ET extrusion Tandem machine for Lamitubes and Snakes products with a line a speed of 400 mtr p/m

#### Ink - PU & Vinyl



In house Latest Generation PU based Inks and Adhesives

#### Graphics & Cylinder



In house Flexo plating system & PRe press and Graphic image setting

#### Pouching



Patented Pouch making from B&B Dhaba - Germany for liquid and powder capacity of 20 million p/month

#### Slitting



High Speed SP Ultra Flex Slitters with a line speed of 600 mtrs p/min







## OUR MARKET

### Home & Personal Care



### Pet Foods, Ready Meals and Soft Drinks



### Industrial & Lubricant



### Dairy Products



### Fresh Products



### Snacks



# Flexible Packaging Project

## OUR INNOVATIVE SOLUTIONS

Lamitubes



Roll Feed Labels



Stand Up Pouches



BOPP PP Woven Snacks



7 layer oil Films



Tamper Proof Pouch



Inna Lock, pour & Lock



Easy Liding Films



Pouches with spout



Advance Speciality film





# PRODUCT RANGE

## PVC Compounds

- Insulation
- Sheathing

## PE Compounds

- Silane Grafted XLPE Compound upto 1.1.KV(LT / LTABC / FR / SELF CURE / MV)
- Silane Grafted XLPE Compound for MV upto 35 KV
- XLPE Compounds for continuous Vulcanization Line upto 35 KV
- Zero Halogen FRLS Compounds
- Semi- Conductive Compounds

## Filled Compound & Master Batches

- Calcium Carbonated / Talc filled in PE and PP

## Colour and Speciality Master Batches-

UV, Antioxidant Processing Aid Optical Brightner, Lubricant

## Footware Compound

- PVC Compact & Micro cellular
- TPR Glossy, Matt, Semi – matt Transparent & colour
- PVC / NBR Compact & Micro-cellular
- EVA Cross linked Foam

## Pipe Compounds

- PEX
- PVC
- PPR

## Engineering Plastics

- Nylon – Glass & Mineral filled
- PP, PBT – Glass & Mineral filled

We service customer in :-

Algeria, Argentina, Brazil, Bangladesh, Croatia, Egypt, Saudi Arabia, South Africa, Srilanka, India, Nepal, Oman, Portugal, UAE



IF undelivered, please return to :

**KALPENA INDUSTRIES LIMITED**

2B, Pretoria Street, Kolkata - 700 071,

Tel : +91 33 2282 3744 /15/3671/99, Fax : +91 33 2282 3739

E-mail : [kolkata@kalpena.co.in](mailto:kolkata@kalpena.co.in)

[www.kalpenagroup.com](http://www.kalpenagroup.com)



**B. Mukherjee & Co.**  
Chartered Accountants

30B, Ramkamal Street  
Kolkata-700 023  
Ph. : 2455-4888, 2459-6310, 30025106  
Fax : (033) 2455-4888, 2455-3601  
E-mail : bmukherjee@rediffmail.com  
bmukherjee@gmail.com

**Kolkata Branch Office :**  
28A, Suburban School Road  
Kolkata-700 025

**AUDITORS' CERTIFICATE OF COMPLIANCES WITH THE CORPORATE  
GOVERNANCE REQUIREMENT UNDER CLAUSE 49 OF THE LISTING  
AGREEMENT TO THE MEMBERS OF KALPENA INDUSTRIES LTD.**

We have examined the compliance of conditions of corporate governance by Kalpena Industries Ltd. for the year ended on 31st March, 2014 as stipulated in 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 review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an 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 management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

FOR B. MUKHERJEE & CO.  
CHARTERED ACCOUNTANTS.  
Firm Registration No. 302096E



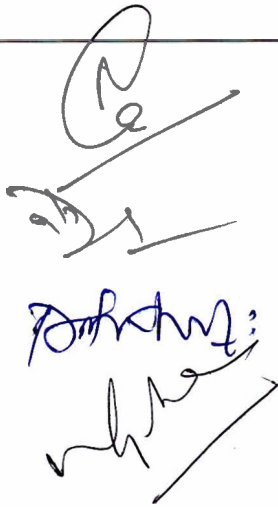
B. MUKHERJEE  
PARTNER  
(Membership No. 002941)

Place: Kolkata  
Date: 30<sup>th</sup> May 2014



# Kalpena Industries Limited

## FORM A

1	Name of the Company	Kalpena Industries Limited
2	Annual Financial Statements for the year ended	31.03.2014
3	Type of Audit Observation	NIL
4	Frequency of Observation	NA
5	Signed by –  Managing Director  Chief Financial Officer  Auditor of the Company  Audit Committee Chairman	



# Kalpena Industries Limited

## FORM B

1	Name of the Company	Kalpena Industries Limited
2	Annual Financial statements for the year ended	31.03.2014
3	Type of Audit Qualification	NIL
4	Frequency of Qualification	NA
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director report.	NA
6	Additional comments from the Board / Audit Committee Chair:	NIL
7	Signed by –  Managing Director  Chief Financial Officer  Auditor of the Company  Audit Committee Chairman	

Valid for 3 Months from date of Issue

सेवा में To



देना बैंक  
DENA BANK

प्रेषक देना बैंक FROM DENA BANK  
BHOWANIPUR  
BRANCH

0081

DATE  
दिनांक

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\*\*\*\*\* BSE LTD \*\*\*\*\*

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Rupees

\*\*Twenty Eight Thousand Ninety only\*\*

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₹

\*\*28090.00

for value received

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HVE 357916

"रु. 25,000/- एवं अधिक के लिए" "For ₹ 25,000/- and above"

कृते देना बैंक For Dena Bank

A/C PAYEE

NOT OVER ₹

SERVICE BRANCH., KOLKATA

HVE 357916

TL

लेखा अधिकारी Accountant  
JITENDRA KUMAR  
C-8022

Please sign above

शाखा प्रबन्धक Branch Manager  
MANISH KUMAR  
C-6723

"357916" 0000180000

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