

**21st
Annual Report
and Accounts
2009-10**

KALPENA PLASTIKS LIMITED

NOTICE

NOTICE is hereby given that the 21st (Twenty First) Annual General Meeting of the Members of KALPENA PLASTIKS LIMITED will be held on Thursday, the 30th day of September, 2010 at 10.30 A.M., at 3, Saheed Nityananda Saha Sarani, Kolkata – 700 001 to transact the following businesses :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jitendra Tiwari, who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their Remuneration .

Registered Office :
3, Saheed Nityananda Saha Sarani
Kolkata-700 001

By Order of the Board of Directors

A.B.Chakrabartty
Company Secretary

04th September, 2010

Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT 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. A PROXY SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.
- 2) The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 23rd September, 2010 to Thursday, 30th September, 2010 (both days inclusive).
- 3) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote on their behalf at the Meeting.
- 4) Shareholders are requested to bring their Attendance Slip along with copy of Annual Report to the venue of the Meeting.
- 5) Members, holding shares in physical mode are requested to notify the change in their address to M/s. S.K.Computers, 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006, the Registrar & Share Transfer Agent of the Company.
- 6) Members, holding Shares in Demat mode are requested to notify the change in their address / bank account to their respective Depository Participant(s) (DPs).

- 7) Additional Information relating to Directors appointed / re-appointed: Pursuant to the provisions of Articles of Association and as per Clause 49 of the Listing Agreement, the brief resume of the Directors and other information are provided elsewhere in the notice.

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 10 days in advance of the meeting to the Company Secretary at the office address so as the same may be attended appropriately.

BRIEF PROFILE OF DIRECTORS PROPOSED TO BE APPOINTED / RE APPOINTED AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

Shri Jitendra Tiwari

Mr. J. Tiwari is aged about 58 years, is a fellow Member of the Institute of Company Secretaries of India. He started his career as a Company Secretary .He has been an outstanding scholar and associated with various companies as an advisor. He owns a commendable position in the field of plastic and polymers producing industries and possesses 36 years of experience in the corporate world. Mr. Tiwari is an Independent Non Executive Director of the Company.

Mr. Tiwari is not holding any shares in the company. He is the Chairman of the Audit Committee of the Company. He is not holding any of the Directorship in other Public Company.

Registered Office :
3, Saheed Nityananda Saha Sarani
Kolkata-700 001

By Order of the Board of Directors

A.B.Chakrabartty
Company Secretary

04th September, 2010

DIRECTORS' REPORT

*Dear Shareowners
Kalpena Plastiks Limited*

Your Directors are pleased to present the 21st (Twenty First) Annual Report together with the audited accounts for the year ended 31st March 2010.

Financial Performance

(Rs. In Lacs)

Particulars	2009-2010	2008-2009
Sales & other Income	9847.60	11087.65
Profit before Depreciation , Interest & Tax	11.20	15.18
Less : Depreciation	0.99	0.91
Interest	0.01	0.08
Profit before Tax	10.19	14.19
Less : Provision for Tax	1.70	01.78
Profit After Tax	8.48	12.41
Add : Profit brought forward from previous year.	15.07	2.66
Balance Carried to B/S	23.56	15.07

Operations

During the year 2009-10, the company has a sales turnover of Rs. 98 Crore, against Rs. 110 Crore in the previous year.

The Company's Sales have declined to a little extent comparing to the previous year.

Dividend

Since the company is currently at revival stage, the directors of the company consider it prudent to conserve resources and therefore do not recommend any dividend on equity shares for the financial year under review.

Preferential Issue of Shares

In order to meet the growth objectives and to strengthen the financial position i.e. to raise resources for long term working capital requirements and for general corporate purpose, the company has issued and allotted 32,60,035 equity shares of Rs.10/- each of the company at par on 06th January, 2010 , to the promoters/ promoter groups on preferential basis.

Consequent to the aforesaid allotment the paid up capital of the Company has gone up from 22, 68,500 equity shares of Rs. 10/- each to 55, 28,535 equity shares of Rs. 10/- each. The aforesaid shares are yet to be listed on the exchange(s).

Diversification of Business & Change of main objects in the Memorandum of Association of the Company

The Directors of your Company have been considering various proposals to diversify into certain new business ventures. For last couple of years, the company was engaged in the business related to Plastic Compounds, Granules, PVC and related Products. Currently these sectors promise a bright future and the Company will also enlarge the area of operation of the Company. The Company has discontinued the business of Gems & Jewellery and diversified into the Business of Plastics, Granules and PVC and consequently changed its main objects in the Memorandum & Association by substituting the objects related to Plastics, Granules and PVC.

Change of Name

In order to facilitate the diversification of business, the company has changed its name from **SARLA GEMS LIMITED to KALPENA PLASTIKS LIMITED** with effect from 09th October, 2009. Necessary certificate from the Registrar of Companies, West Bengal has been obtained and due compliances in this regards has been completed.

Connectivity with Depositories

In order to offer the shareholders the opportunity to hold the shares in de mat mode and to facilitate the trading of shares in nationwide terminal of stock exchanges , the company has obtained the connectivity of both the depositories i.e. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). The ISIN No of the Company is INE 465K01016.

Revocation of Trading of Shares

The suspension of trading of company's shares was revoked by Bombay Stock Exchange vide their letter dated 9th October, 2009 w.e.f 16th October, 2009. Now the shares of your company are traded in BSE's online terminal.

Public Deposits

Your Company has not accepted any fixed deposit during the year under review in terms of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975 and hence no amount of principal or interest was outstanding as at the Balance Sheet date.

Directors

In term of Articles 130 &131 of Articles of Association of the Company Shri Jitendra Tiwari, Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

A brief resume of the Directors proposed to be appointed / re- appointed nature of their expertise in specific functional areas etc. as stipulated under clause 49 of the listing agreements with stock exchanges, are provided elsewhere in the notice.

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 appropriate 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, 2010 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

M/s Maloo & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from the auditor to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956. Further, the Auditors have confirmed that they have undergone the peer review process of the Institute of Chartered Accountants of India (ICAI) and yet to receive the certificate from the 'Peer Review Board' of ICAI. The observations of the Auditors in the Report on Accounts read with the relevant notes are self – explanatory.

Particulars of Employees

None of the employees employed throughout the year or part of the year who was in receipt of salary of Rs. 2,00,000 /- or more per month or Rs. 24,00,000 /- 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.

Industrial Relations

The Company continued to attract and retain qualified and diligent employees. Various senior and junior employees were recruited to add to the existing strength. During the year, your company maintained harmonious and cordial Industrial Relations.

Management Discussion and Analysis

A Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is annexed hereto and marked as **Annexure – 'A'**.

Corporate Governance

The report on Corporate Governance as stipulated under clause 49 of the listing agreement with the Stock Exchange(s), forms part of Annual Report and marked as **Annexure – 'B'**.

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

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

Particulars required to be furnished under Section 217(1) (e) of The Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988.

- i. Part A and Part B of the Rules, pertaining to conservation of Energy and technology absorption, are not applicable to the Company.

ii. Foreign Exchange earning and outgo

Earning Nil

Outgo Nil

Acknowledgement

Your Directors wish to thank and acknowledge the Banks, Government Authorities, Dealers, Suppliers, Business Associates, and the Company's valued customers, for their Assistance and Co-Operation and the esteemed Shareholders for their continued trust and support.

The Directors also wish to acknowledge the committed and dedicated team of Kalpena Plastiks Limited, whose unstinted hard work, efforts and ideas has taken the Company on a path of growth and development.

3, Saheed Nityananda Saha Sarani
Kolkata-700 001

For and on behalf of the Board

J. Tiwari
Chairman

Date : 4th Day of September, 2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry's structure and developments

The Plastics Industry in India has made significant achievements ever since it made a modest but promising beginning by commencing production of Polystyrene in 1957. The chronology of manufacture of polymers in India is summarized as under:-1957-Polystyrene -1959-LDPE -1961-PVC -1968-HDPE -1978-Polypropylene The potential Indian market has motivated Indian entrepreneurs to acquire technical expertise, achieve high quality standards and build capacities in various facets of the booming plastic industry. Phenomenal developments in the plastic machinery sector coupled with matching developments in the petrochemical sector, both of which support the plastic processing sector, have facilitated the plastic processors to build capacities to service both the domestic market and the markets in the overseas.

The plastic processing sector comprises of over 30,000 units involved in producing a variety of items through injection moulding, blow moulding, extrusion and calendaring. The capacities built in most segments of this industry coupled with inherent capabilities has made us capable of servicing the overseas markets.

The economic reforms launched in India since 1991, have added further fillip to the Indian plastic industry. Joint ventures, foreign investments, easier access to technology from developed countries etc have opened up new vistas to further facilitate the growth of this industry.

Opportunities and Threats

The Board of the Directors is considering several action plans to grab the opportunities in order to augment a revival plan of the Company. The Management has undertaken a detailed SWOT analysis to find out appropriate growth plans to identify the weaknesses and threats.

Out look of the Company

During the year under review the following major initiatives are taken by the directors to revive the Company.

1. The Company has discontinued the business of Gems & Jewellery and diversified into the Business of Plastics, Granules and PVC.
2. **The Company has made preferential issue of Shares to promoters for meeting the long term working capital requirements of the company.**
3. The company has changed its name from **SARLA GEMS LIMITED to KALPENA PLASTIKS LIMITED.**
4. The company has obtained the connectivity of both the depositories i.e. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL).
5. The suspension of trading of company's shares was revoked by Bombay Stock Exchange.

Now, the directors are planning to undertake setting up of new projects and consequent arrangement of finance from banks / financial institutions to make the company viable.

Risk Management

Risk is integral to virtually all business activities, though in varying degrees and forms. At Kalpena Plastiks Ltd., risk management ensures that risks are adequately measured, estimated and controlled to enhance shareholders value. Irrespective of the type of risk or the activity that creates it, the Company's fundamental approach to risk management remains the same:

Internal Control System and their adequacy

Internal Control system (ICS) continues to be prime focus area for the company. ICS ensures adequate audit and periodic internal / management audit. The audit is undertaken with more ascents on business processes rather than the transaction oriented and is subject to review at divisional head level as well as the top management level.

Human Resources

The Company recognizes the importance and contribution of its people towards achieving the common goal. Over a period of time, we have built and nurtured a dedicated and excellent workforce and also recruiting new people in order to meet the revival plans of the company.

Company is committed to the welfare of its people and their families and to improve the quality of their life by providing the required facilities.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could 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, certain resumptons on which estimates are based and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

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 to promote ethical conduct through the organization with primary objective of enhancing shareholders value. Your Company perceives good corporate governance practices as key driver of sustainable corporate growth and long term shareholder value creation. The five core values that drive the Company's business are:

Excellence : Strive relentlessly and constantly improve ourselves in our offerings.

Creativity : Allow minds to reach beyond conventional and predictable solution.

Integrity : Conduct our business fairly, with honesty and transparency.

Responsibility : For our words and actions.

Respect : For our employees, business partners and stakeholders.

The Company has three tier governance structures;

- **Strategic Supervision:** The Board of Directors occupies the topmost tier in the governance structure. The Board lays down strategic goals and exercises control to ensure that the company is progressing to fulfill stakeholders' aspirations.
- **Strategic Management:** The Management Committee is composed of the senior management of the Company and operates upon the direction of the Board.
- **Executive Management:** The Function of Executive Management is to execute and realize the goals laid down by the Board and the Management Committee.

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 Directors presently consists of 4 Directors all of them are Non – Executive Directors. The Chairman of the Company is Non-Executive. The Composition of Board of the Company is as detailed below:

Name	Designation	Category	Outside Directorships & Committee Position		
			Directorships*	Committee Memberships#	Committee Chairmanships#
Mr. B.L.Bohara	Director	Non Executive & Independent	–	–	–
Mr. K.N.Agarwal	Director	Non Executive & Independent	–	–	–
Mr. M.K.Tiwary	Director	Non Executive & Independent	–	–	–
Mr. J.Tiwari	Chairman	Non Executive & Independent	–	–	–

* Directorship includes only Public Companies.

Committees includes Audit Committee, Shareholders Grievance Committee and Remuneration Committee.

KALPENA PLASTIKS LIMITED

All directors are liable to retire by rotation and at every AGM 1/3rd of them shall retire.

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 Company.

BOARD MEETINGS :

The meetings of the Board of Directors are normally held at the Company's Registered Office at Kolkata. During the financial year 2009-2010, The Board met ten times during the year under review, the details whereof is given below. The gap between two Board meetings did not exceed 4 months.

Sl. No.	Date	Board Strength	No. of Directors present
1	2 nd June, 2009	3	3
2	8 th June, 2009	4	4
3	30 th June, 2009	4	4
4	30 th July, 2009	4	3
5	6 th August, 2009	4	4
6	11 th August, 2009	4	4
7	29 th October, 2009	4	4
8	10 th November, 2009	4	4
9	6 th January, 2010	4	4
10	30 th January, 2010	4	4

Attendance of each Director in the Board Meetings and the Last Annual General Meeting is detailed herein below :

Si. No.	Directors	No. of Board Meeting Attended	Attendance at the Last AGM held on 15.09.2009	No. of Shares held in the Company
1	Mr. B.L.Bohara	10	Yes	0
2	Mr. K.N.Agarwal	10	Yes	0
3	Mr. M.K.Tiwary	9	Yes	0
4	Mr. Jitendra Tiwari	9	Yes	0

3. COMMITTEES OF THE BOARD :

Currently, there are two Board Committees– the Audit Committee and the Share Transfer and Investors Grievances Committee. Meeting of each Board Committee are convened by the respective Committee Chairman. Signed minutes of Committee meetings are placed for the information of the Board. The role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:-

3.1 AUDIT COMMITTEE:

In terms of Clause 49 of the Listing Agreement as well as of Section 292A of the Companies Act, 1956, the Board has constituted an Audit Committee on 26.04.2002. 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. The Committee comprises of three members, all of them are Independent Non Executive Director. During the year the company has re-constituted its composition and Mr. J.Tiwari was elected as the Chairman of the Committee.

During the year under review, the committee met four times on 30.06.2009, 30.07.2009, 29.10.2009 and 30.01.2010. The Composition of the Committee and the attendance at each Committee Meetings are as follows;

Name of Director	Category	Attendance of Directors			
		30.06.2009	30.07.2009	29.10.2009	30.01.2010
Mr. J.Tiwari	Non-Executive Independent	Yes	Yes	Yes	Yes
Mr. B.L.Bohara	Non-Executive Independent	Yes	Yes	Yes	Yes
Mr. K. N. Agarwal	Non-Executive Independent	Yes	Yes	Yes	Yes

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 function, if any, including the structure of the internal audit

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.

3.2 SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE :

The Share Transfer & Investors Grievance Committee oversees the redressal of Investors Grievances pertaining to Share Transfer, Issue of Duplicate Shares, redressing investors' grievances and other related matters.

Composition:

The Shareholder's Grievance Committee and has the following Composition:

- a. Mr. B.L.Bohara – *Chairman (Non Executive)*
- b. Mr. K.N.Agarwal – *Member (Non-Executive)*
- c. Mr. M.K.Tiwary – *Member (Non- Executive)*

The Committee met 25 times during the year 2009-2010.

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

Sl.No	Name	Meeting held during the tenure of Directors	Meeting attended
1	Mr. B.L.Bohara	25	25
2	Mr. K.N.Agarwal	25	25
3	Mr. M.K.Tiwary	25	25

During the year ended 31st March, 2010, 17 complaints were received and all have settled.

Details of Remuneration Paid to Non- Executive Directors:

The Non- Executive Directors of the Company are not paid any remuneration and the directors have foregone their sitting fees for attending meetings of Board and Committees of Directors.

4. DETAILS OF GENERAL MEETING :

The Company held its last Three Annual General Meetings as under :

Financial Year	Date	Time	Venue	Whether any Special Resolution passed or not
2008-2009	15 th September, 2009	10.30 A.M.	3, Saheed Nityananda Saha Sarani, Kolkata – 700 071	1. change in the name of the Company 2. Change in the Article of Association of the Company
2007-2008	29 th September, 2008	10.30 A.M.	3, Saheed Nityananda Saha Sarani, Kolkata – 700 071	None
2006-2007	08 th September, 2007	11.00 A.M.	Block No. 3, Module 1 & 2 (Ground Floor), SDF (E), FEPZ, 24 Parganas (S), West Bengal	None

4.1 Extraordinary General Meeting:

During the Financial Year 2009-2010 one Extraordinary General Meetings of the members of the company was held on 05.09.2009 for issuance shares, on preferential basis, to promoters.

4.2 Postal Ballot:

A Special Resolution Process for alteration of Object Clause of the Company was passed during the year through Postal Ballot process. Shri D. C. Dharewa, Chartered Accountant of M/s. D. C. Dharewa & Co., 41, Netaji Subhash Road, 5th Floor, Room No. 503, Kolkata – 700 001 was appointed as the Scrutinizer for the Postal Ballot process.

Details of the Resolution passed under the Postal Ballot are as follows:

- Description: Special Resolution to accord the consent of the Shareholders to amend the Object Clause as specified in Clause III (A) (Main Object) of the Memorandum of Association of the Company by substituting new clauses in commensurate with the name of the Company.
- Voting Pattern

Voting	Number of Votes	Percentage of Total Votes
Votes in favour	766465	99.96%
Votes against	0	0%
Invalid Votes	300	0.04%
Total	766765	100%

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed and result was announced by the Chairman at the Registered Office of the Company on December 18, 2009 and the same was published in the newspapers.

5. DISCLOSURES:

- 5.1 No transaction of material nature has been entered into by the Company with its promoters, the Directors or the management, their relatives etc. that may have potential conflict with the interest of the company at large.
- 5.2 The Register of Contracts / Statement of related party transactions are placed before the Board / Audit Committee regularly.
- 5.3 Transactions with related parties are disclosed in Note No. 7 of Schedule 12 of the Accounts in the Annual Report.
- 5.4 No penalties / strictures have been imposed on the Company by Stock Exchanges or SEBI or any other authority, on any matter related to capital markets during last three years.
- 5.5 Listing fees for the financial year 2010 – 11 have been paid to the stock exchanges where the shares of the Company are listed.
- 5.6 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.

6. MEANS OF COMMUNICATION :

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 Financial Express and Business Standard etc., and a local vernacular newspaper circulated in the state of West Bengal.

Resume 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 are given as an annexure to the notice convening the ensuing Annual General Meeting.

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

7. GENERAL SHAREHOLDERS INFORMATION :

(i) Annual General Meeting (AGM)

Day, Date & Time : Thursday, the 30th September, 2010 at 10.30 A.M.
Venue : 3, Saheed Nityananda Saha Sarani, Kolkata - 700 001

(ii) Date of Book Closure : 23rd September, 2010 to 30th September, 2010
(both days inclusive)

(iii) Dividend Payment Date : The Company has not declared any dividend during the Year.

(iv) Financial Calendar for Year 2010-2011 (tentative)

The Company follows the financial year from April to March.

For the quarter ending	30 th June ,2010	} Within 45 days of the end of the quarter.
For the quarter & half year ending	30 th September ,2010	
For the quarter ending	31 st December, 2010	

For the quarter & year ending 31st March ,2011 (Audited) } With in 60 days of
the end of the Quarter

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

<u>Name of the Stock Exchanges</u>	<u>Stock Code</u>
The Bombay Stock Exchange Ltd.(BSE)	523652
The Calcutta Stock Exchange Association Ltd. (CSE)	29050
The Delhi Stock Exchange Association Ltd.(DSE)	19082

- (vi) **Dematerialization 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 INE465K01016. As on 31st March, 2010, 840515 shares representing 15.20% 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 for nomination, change of address, ECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

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

S.K.Computers (Unit Kalpena Plastiks Ltd.), 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006, Phone : 033 2219 4815/ 6797

- (viii) **Share Transfer System**

Share transfers are generally registered within a maximum period of 15 days from the date of receipt provided the documents are complete in all respects. All Share transfers are approved by the “Share Holders Grievance Committee”. The Company has appointed M/s. S.K.Computers as a common agency for share registry work.

- (vix) **Investor Grievance Redressal System**

The investor grievances against the company are handled by the Company’s RTA, M/s. S.K.Computers, Kolkata, 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.

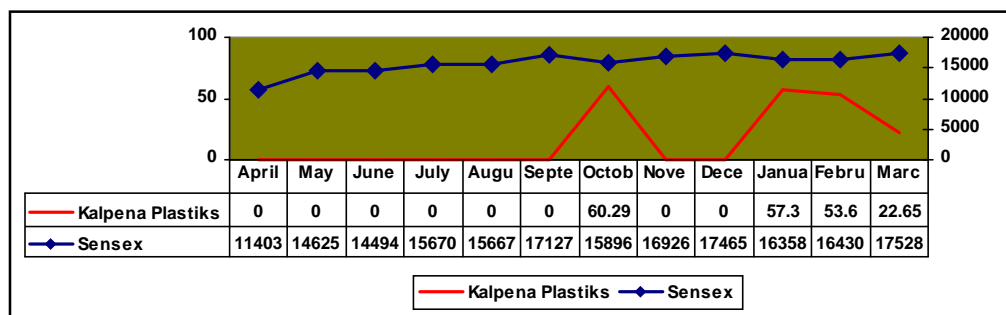
- (x) **Market Price Data**

The trading of the shares were resumed w.e.f 16th October, 2009 and hence market price data for the period before 16th October, 2009 was not available.

KALPENA PLASTIKS LIMITED

The shares of the company are currently traded at BSE. The Stock Market data from 16th October, 2009 to 31st March, 2010 are given below :

Months	Bombay Stock Exchange Limited				
	Monthly High Price	Monthly Low Price	Sensex highest	Sensex lowest	Volume of share traded
Apr-09	NA	NA	11492.10	9546.29	NA
May-09	NA	NA	14930.54	11621.30	NA
Jun-09	NA	NA	15600.30	14016.95	NA
Jul-09	NA	NA	15732.81	13219.99	NA
Aug-09	NA	NA	16002.46	14684.45	NA
Sep-09	NA	NA	17142.52	15536.72	NA
Oct-09	60.29	22.00	17493.17	15805.20	1700
Nov-09	0	0	17290.48	15330.56	0
Dec-09	0	0	17530.94	16577.78	0
Jan-10	57.30	57.30	17790.33	15982.08	4400
Feb-10	56.40	53.60	16669.25	15651.99	200
Mar-10	50.95	20.60	17793.01	16438.45	3000



(xi) **Distribution Schedule as on 31.03.2010**

Range	Number of Shareholders		Shares held in each class	
	Number	%	Number	%
Up to 500	18787	99.42	1274900	23.06
501-1000	67	0.33	51300	0.93
1001-2000	26	0.14	36350	0.66
2001-3000	7	0.04	17185	0.31
3001-4000	2	0.01	6500	0.12
4001-5000	2	0.01	8900	0.16
5001-10000	1	0.01	8000	0.14
10001 & above	5	0.04	4125400	74.62
Total	18897	100.00	5528535	100.00

(xii) Share Holding Pattern as on 31.03.2010

Category	No. of Shares Held	% of holding
Promoter's Holding		
i) Individual / HUF	00	0.00
ii) Bodies Corporate	4007300	72.48
Total Promoter's Holdings	4007300	72.48
Non Promoter's Holding		
Mutual Funds / UTI	0.00	0.00
Financial Institutions / Banks	50	0.00
Private Body Corporate	138750	2.51
Indian Public	1382435	25.01
Total Non Promoters Holdings	1521235	27.52
Total	5528535	100%

(xiii) Outstanding GDRs/ ADRs/ Warrants / Convertible Instruments and likely impact on Equity

The Company has issued and allotted 32, 60, 035 equity shares on preferential basis, to promoters, on 06.01.2010. As at 31st March, 2010 there are no outstanding warrants / convertible instruments of the company.

The Company has not issued any GDRs / ADRs / any other convertible instruments.

Address for correspondence by investors :

Investors may contact to;
S.K.Computers,
34/1A, Sudhir Chatterjee Street,
Kolkata – 700 006

Alternatively
Kalpena Plastiks Limited,
3, Saheed Nityananda Saha Sarani
Kolkata – 700 001

Declaration regarding Affirmation of Code of Conduct.

It is hereby declared that the company has obtained from all members of the Board and senior management, affirmation that they have complied with the code of conduct for Directors and senior management of the company for the year 2010-2011.

Place : Kolkata

Date : 4th Day of September, 2010

Sd/- J. Tiwari

Chairman

Non Mandatory requirements of Corporate Governance.

As required under non-mandatory requirements the Company is in the process of Constitution Remuneration Committee. Further, the Company is also trying to adopt Whistle – Blower mechanism, and other non mandatory requirements as specified in Annexure 1D to Clause 49 of the Listing Agreement which has been discussed in this report. The Company's policies as regards adoption of other non- mandatory requirements shall be disclosed in the future Annual Report from time to time.

KALPENA PLASTIKS LIMITED

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To, the Members of
Kalpena Plastiks Limited

We have examined the compliance of conditions of Corporate Governance by Kalpena Plastiks Limited for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place : Kolkata
Dated : 4th day of September, 2010

For Maloo & Co
Chartered Accountants

(J.L.Maloo)
Proprietor
Membership No. 300/17649

AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the attached balance sheet of **KALPENA PLASTIKS LTD.(Formerly SARLA GEMS LTD.)** . as at 31st March , 2010 and also the profit & loss account for the period ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis , evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matter specified in paragraph 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- 1) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- 2) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examinations of the books and proper returns adequate for the purpose of our audit have been received from the branch.
- 3) The balance sheet & profit & loss accounts and Cash Flow Statement dealt with by this report, are in agreement with the books of account.
- 4) In our opinion, the Balance sheet & Profit & Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub Section (3c) of Section 211 of the Companies Act, 1956.
- 5) On the basis of the written representations received from the Directors, we report that none of the Directors of the company is disqualified as on 31st march 2010, from being appointed as Director in terms of clause (g) sub section (1) of section 274 of Companies Act, 1956.
- 6) In our opinion & to the best of our information and according to the explanations given to us, the said accounts, read together with the Notes of Accounts appearing in "Schedule – 12" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in the 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 on 31st March, 2010 and
 - b) In the case of the profit & loss account of the PROFIT for the year ended on that date ; and
 - c) In case of the Cash Flow Statement , of the Cash Flows for the year ended on that date.

3,MANGO LANE, 2ND FLOOR
KOLKATA-700001

DATED : 4th day of September, 2010
PLACE : KOLKATA

For MALOO & CO.
CHARTERED ACCOUNTANTS

(J. L. MALOO)
PROPRIETOR
MEMBERSHIP NO. 17649

ANNEXURE TO THE AUDITORS REPORT

Annexure referred to in paragraph 3 of the Auditors Report of even date to the Members of KALPENA PLASTIKS LIMITED. on the Accounts of for the year ended 31.03.2010

- i) In respect of Fixed Assets :
 - a) The Company has maintained proper records showing full particulars including Quantitative details and situation of Fixed Assets.
 - b) As explained to us , all the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which , in our opinion , is reasonable having regard to the size of the Company and the nature of those assets. No material discrepancies were noticed on such verification.
 - c) None of the Fixed Assets of the Company has been revalued during the year.
- ii) In respect of Inventories :
 - a) As explained to us, inventories have been physically verified during the year by the management at regular intervals. In our opinion , the frequency of verification is reasonable.
 - b) In our opinion 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) The Company has not granted any loans, Secured or Unsecured Loan to Companies, Firms or Other Parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii)(b) to (d) of the order are not applicable.
- b) The Company has not taken any Loans, Secured or Unsecured Loans from Companies, Firms or Other Parties listed in the register maintained under Section 301 of the Companies Act,1956. Accordingly, clause 4(iii)(f) to (g) of the order are not applicable.
- c) As informed to us, the company has not granted any loan to anybody.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, Fixed assets and with regard to the sale of goods. During the course of our audit, we have not observe any continuing failure to correct major weaknesses in internal controls.
- v) a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act,1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us , no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of The Companies Act,1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which is reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits within provisions of sections 58A of The Companies Act,1956, or any rule framed there under, except loan from body corporate which is exempted.
- vii) In our opinion, the Company has an Internal Audit System commensurate with the size and nature of it's business.

KALPENA PLASTIKS LIMITED

viii) In respect of Statutory dues:

- a) As explained to us, Provident Fund and Employees State Insurance not applicable during the year under review.
 - b) To the information and according to the explanations given to us, no undisputed amount payable in respect of Income Tax , Wealth tax. Sales Tax, Excise Duty, Custom Duty and Cess remaining outstanding as at the last date of the year ended as at 31st march 2010 for a period more than six months from the date they become payable.
- ix) The Company has not incurred Cash Loss during the Current Financial Year and in the immediately preceeding Financial Year.
- x) In our opinion and according to the information and explanation given to us , no loans and advances have been granted by the Company on the basis of Security by way of pledge of Shares . Debentures and Other Securities.
- xi) In our opinion , the Company is not a chit fund or a nidhi/mutual benefit fund / society. Therefore, the provisions of Clause 4(xiii) of Companies (Auditor's Report) Order, 2003 (As Amended) are not applicable to the Company.
- xii) The Company is not in the business of dealing or trading in Shares, Securities.The company has maintained proper records of transactions and contracts in respect of Shares, Securities, Debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investment have been held by the company, in its own name except to the extend of exemption, granted under section 49 of The Companies Act,1956.
- xiii) The Company has not raised any new Term Loan during the year.
- xiv) According to the information and explanations given to us and 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.
- xv) According to the information and explanations given to us, the Company has made preferential allotment of 3260035 Equity Shares of Rs. 10/- each to Parties and Companies covered in the register maintained under Section 301 of the Act.
- xvi) According to the information and explanations given to us during the period by our audit report. The Company had not issued debentures and therefore question of creating securities in respect thereof does not arise.
- xvii) The Company has not made any public issue during the year and therefore the question of disclosing the end use of money does not arise.
- xviii) 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.
- xix) During the course of our examination of the books and according to the explanation given to us, no personal expenses other than covered by the service contracts / terms of appointments of the employee and those borne by the Company in accordance with the accepted business practice have been charged to the Profit & Loss Accounts.

3,MANGO LANE, 2ND FLOOR
KOLKATA-700001

DATED : 4th SEPTEMBER, 2010
PLACE : KOLKATA

For MALOO & CO.
CHARTERED ACCOUNTANTS

(J. L. MALOO)
PROPRIETOR
MEMBERSHIP NO. 17649

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCH.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<u>SOURCES OF FUND</u>			
<u>Shareholder's Fund</u>			
Share Capital	1	55285350.00	22685000.00
Reserve & Surplus	2	4356206.51	3507518.87
		59641556.51	26192518.87
<u>APPLICATION OF FUND</u>			
<u>Fixed Assets</u>			
Gross Block	3	2114415.00	1600928.00
Less : Depreciation		1302323.00	1202604.00
		812092.00	398324.00
<u>Current Assets, Loans & Advances</u>			
Inventories (As certified & valued by the Management)	4	12004413.00	12063311.00
Sundry Debtors	5	36194394.50	10742444.04
Cash & Bank Balance	6	20688668.43	18693770.47
Loans & Advances	7	5633148.42	4743913.00
		74520624.35	46243438.51
Less : Current Liabilities & Provisions	8	15811159.84	20449243.64
Net Current Assets		58709464.51	25794194.87
Miscellaneous Expenditure (Share Issue Expenses)		120000.00	0.00
		59641556.51	26192518.87

NOTES ON ACCOUNTS 12

As per our report of even date attached hereto

3, Mangoe Lane, 2nd Floor
Kolkata - 700001

For **MALOO & COMPANY**
Chartered Accountants

For & on behalf of the Board

B. L. Bohara
K. N. Agarwal
M. K. Tiwary
J. Tiwari
A. B. Chakrabartty

Place : Kolkata
Dated : 4th Day of September ,2010

J.L.Maloo
(Proprietor)
Membership No. 17649

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCH.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
INCOME :			
Sales			
Sales of Trade Goods		579960155.75	1112169440.25
Less : Excise Duty		40849687.00	92372741.00
		<u>445464457.50</u>	<u>88799556.00</u>
Sales of MFG Goods		984574926.25	1108596255.25
Closing Stock of Finished Goods		128984.00	128984.00
Closing Stock of Trade Goods		0.00	0.00
Other Income	9	185347.00	168775.00
		<u>984889257.25</u>	<u>1108894014.25</u>
EXPENDITURE :			
Opening Stock of Finished Goods		128984.00	128984.00
Opening Stock of Trade goods		0.00	29746371.50
Purchase of Trade Goods		535189866.00	982339038.50
Carriage Inwards		2389800.00	1448550.00
Raw Materials Consumed	10	433790440.37	85252280.50
Labour Charges		4241214.50	1312141.00
Administrative & other Expenses	11	7998867.74	7148442.46
Preliminary Expenses Written off		30000.00	0.00
Depreciation		99719.00	90754.00
Interest		1243.00	8000.00
		<u>983870134.61</u>	<u>1107474561.96</u>
NET PROFIT BEFORE TAX		1019122.64	1419452.29
Less : Provision for Fringe Benefit Tax (07-08)		0.00	9000.00
Less : Provision for Income Tax under MAT		170435.00	169000.00
		<u>170435.00</u>	<u>178000.00</u>
NET PROFIT AFTER TAX		848687.64	1241452.29
Balance brought forward from last year		1507518.87	266066.58
Balance carried to Balance Sheet		<u>2356206.51</u>	<u>1507518.87</u>
NOTES ON ACCOUNTS	12		

As per our report of even date attached hereto

3, Mangoe Lane, 2nd Floor
Kolkata - 700001

For **MALOO & COMPANY**
Chartered Accountants

For & on behalf of the Board

B. L. Bohara
K. N. Agarwal
M. K. Tiwary
J. Tiwari
A. B. Chakrabartty

Place : Kolkata
Dated : 4th Day of September ,2010

J.L.Maloo
(Proprietor)
Membership No. 17649

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
DESCRIPTION :		
A. Cash Flow From Operating Activities :-		
Net Profit before tax	1,019,122.00	1,419,452.00
<u>Adjustment For :-</u>		
Depreciation	99,719.00	90,754.00
Interest	1,243.00	8,000.00
Interest Income	(185,347.00)	(168,775.00)
Profit on sale of Investment	—	—
Dividend Received	—	—
Opening Profit before Working Capital changes	934,737.00	1,349,431.00
Sundry Debtors	(25,451,950.00)	(10,708,044.00)
Inventories	58,898.00	17,812,044.00
Other Loans & Advances	(506,588.00)	3,741,774.00
Sundry Creditors	(4,808,519.00)	2,621,302.00
Cash generated from operations	(29,773,422.00)	14,816,507.00
Income Tax & FBT paid	(382,647.00)	(45,866.00)
Net Cash Flow From Operating Activities A :	(30,156,069.00)	14,770,641.00
B. Cash Flow From investing Activities :-		
Purchase of Fixed Assets	(513,487.00)	—
Sale of Fixed Assets	—	—
Purchase of investment	—	—
Sale of investment	—	—
Dividend	—	—
Interest Received	185,347.00	168,775.00
Net Cash Flow From Investing Activities B :	(328,140.00)	168,775.00
C. Cash Flow from Finance Activities		
Interest Paid	(1,243.00)	(8,000.00)
Increase in Capital	32,600,350.00	—
Dividend Paid	—	—
Misc. Expenditure	(120,000.00)	—
Dividend Tax Paid	—	—
Net Cash Flow from Finance Activities C :	32,479,107.00	(8,000.00)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	1,994,898.00	14,931,416.00
CASH & CASH EQUIVALENTS, beginning of the year	18,693,770.00	3,762,354.00
CASH & CASH EQUIVALENTS, end the year	20,688,668.00	18,693,770.00
(Refer note 2 below)		

NOTE:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- 2) Cash and Cash equivalents as at the end of March, 2010.
- 3) Previous Year's figures has been regrouped wherever necessary.

KalpENA PlASTIKS Limited

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2010 & THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<u>SCHEDULE - "1"</u>		
Share Capital		
Authorised Capital		
8000000 equity shares of Rs.10/- each	80000000.00	50000000.00
	<u>80000000.00</u>	<u>50000000.00</u>
Issued ,Subscribed & Paid Up		
5528535 Equity shares of Rs.10/- each fully paid up in cash (Prevoius Yr. 2268500 Equity Share)	55285350.00	22685000.00
	<u>55285350.00</u>	<u>22685000.00</u>

SCHEDULE - "2"

Reserve & Surplus

Capital Reserve	2000000.00	2000000.00
Profit & Loss Account	2356206.51	1507518.87
	<u>4356206.51</u>	<u>3507518.87</u>

SCHEDULE - "3"

Fixed Assets

Description of Assets	Rate of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2009	Additions during the Year	Deduction during the Year	As at 31.3.2010	Upto 1.4.2009	For The Year	Adjust- during the Year	Upto 31.03.010	As at 31.03.10	As at 31.03.09
Plant & Machinery	4.75%	225000.00	513487.00	0.00	738487.00	53616.00	22917.00	0.00	76533.00	661954.00	171384.00
Furniture & Fixture	6.33%	930954.00	0.00	0.00	930954.00	875289.00	55665.00	0.00	930954.00	0.00	55665.00
Office Equipment	4.75%	358875.00	0.00	0.00	358875.00	253249.00	17047.00	0.00	270296.00	88579.00	105626.00
Electrical Installation (Daman)	4.75%	86099.00	0.00	0.00	86099.00	20450.00	4090.00	0.00	24540.00	61559.00	65649.00
Grand Total		1600928.00	513487.00	0.00	2114415.00	1202604.00	99719.00	0.00	1302323.00	812092.00	398324.00
Previous Year		1600928.00	0.00	0.00	1600928.00	1111850.00	90754.00	0.00	1202604.00	398324.00	489078.00

KALPENA PLASTIKS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2010 & THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<u>SCHEDULE - "4"</u>		
Inventories		
(Stock as per Inventories taken valued and certified by the Mangement)		
Raw materials	6194005.00	9603818.00
Finished Goods	128984.00	128984.00
Goods in Transit	5681424.00	2330509.00
	<u>12004413.00</u>	<u>12063311.00</u>
<u>SCHEDULE - "5"</u>		
Sundry Debtors		
(Unsecured & Considered good)		
Outstanding for the period Exceeding Six Months	34,400.00	34,400.00
Others	36159994.50	10708044.04
	<u>36194394.50</u>	<u>10742444.04</u>
<u>SCHEDULE - "6"</u>		
Cash & Bank Balance		
Cash in Hand (as certified by the management)	100551.65	349098.40
Bank Balances with schduled bank In Current Account	18375005.78	16296239.07
In Fixed Deposit Account	2213111.00	2048433.00
	<u>20688668.43</u>	<u>18693770.47</u>
<u>SCHEDULE - "7"</u>		
Loans & Advances		
Advances		
(Recoverable in Cash or in Kind for value to be received)		
Advances to Staff	141357.00	40500.00
Advance & Self Asst Tax	3027867.00	2666432.00
Advance Fringe Benefit Tax	19391.00	16558.00
Tax Deducted at Sources	256340.00	237961.00
Advance to Suppliers	1658181.00	1700000.00
Deposits	362160.00	82462.00
Prepaid Expenses	167852.42	0.00
	<u>5633148.42</u>	<u>4743913.00</u>

KALPENA PLASTIKS LIMITED

**SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2010
& THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<u>SCHEDULE - "8"</u>		
Current Liabilities & Provisions		
Sundry Creditors	11616241.70	17138834.90
Statutory Liability	898265.14	209771.74
Outstanding Liabilities	117118.00	91537.00
Provision for Income tax	3162766.00	2992331.00
Provision for FBT	16769.00	16769.00
	<u>15811159.84</u>	<u>20449243.64</u>

SCHEDULE - "9"**Other Income**

Miscellaneous Receipt	250.00	0.00
Interest Received	185097.00	168775.00
	<u>185347.00</u>	<u>168775.00</u>

SCHEDULE - "10"**Raw Materials Consumed**

Opening Stock of Material		9603818.00		0.00
Purchase during the year	430380627.37		93179727.00	
T/F from Trade Goods	<u>0.00</u>		<u>1676371.50</u>	
		430380627.37		94856098.50
Less : Closing Stock		6194005.00		9603818.00
Consumption during the year		<u>433790440.37</u>		<u>85252280.50</u>

KALPENA PLASTIKS LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2010 & THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<u>SCHEDULE - "11"</u>		
Administrative & Other Expenses		
Salary, Bonus etc.	1101030.00	810306.00
Staff Welfare	23333.50	3642.50
Advertisement	28898.00	12322.00
Auditor's Remuneration :-		
As Audit Fees	25000.00	25000.00
As Tax Audit Fees	15000.00	—
In other Capacities	4000.00	—
Bank / L.C.Charges	1351958.11	451898.86
Travelling & Conveyance	35132.50	59900.00
Insurance Charges	212682.58	0.00
Electricity Charges	441245.00	199505.00
Filling Fees	14220.00	4112.00
General Expenses	21273.00	47410.00
Listing & Processing Charges	628385.05	37304.00
Legal & Professional Charges	171673.50	284080.10
Office Maintenance	49943.00	31598.50
Postage & Telegram	331688.50	5007.00
Printing & Stationary	107926.00	39023.50
Rent	6000.00	6000.00
Repair & Maintenance		
To Machinery	3656.00	18940.00
To Other Assets	6192.00	0.00
Rates & Taxes	9050.00	11550.00
Telephone & Telex Expenses	60767.00	55315.00
Carriage Outward	1902600.00	4370060.00
Loading & Unloading Charges	627019.00	127468.00
Membership & Subscription	8000.00	8000.00
Godown & Warehousing Charges	812195.00	540000.00
	<u>7998867.74</u>	<u>7148442.46</u>

SCHEDULE - "12"

Accounting Policies & Notes to Accounts

1. Significant Accounting Policies :

i) These accounts have been prepared under the historical cost convention and on the basis of going concern. All expenses and income to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis.

ii) Fixed Assets :

Fixed Assets are stated at cost less accumulated depreciation. The cost of acquisition comprises purchase price inclusive of duties (Net of Cenvat), taxes, incidental expenses, erection/commissioning etc. upto the date the assets are put to use.

iii) Depreciation:

(a) Depreciation on Fixed Assets is provided on straight line method at rates as specified in Schedule XIV to the Companies Act, 1956.

(b) Depreciation on Fixed Assets added/disposed off during the period is provided on prorata basis with reference to the date of addition/ disposal.

iv) Inventories:

Finished goods are valued at cost or net realizable value whichever is lower.

v) Taxes on Income:

Deferred Taxes: the Company has unabsorbed carry forward losses/ depreciation available for set-off under the Income Tax Act, 1961. However, in view of present un-certainty regarding generation of sufficient future income, net deferred tax assets at the year end including related credits / charge for the year have not been recognized in these accounts on prudent basis.

2. Contingent Liabilities:

Contingent Liabilities are not provided for in respect of Lease Rent amounting to Rs. 90,675/-

3. Information pursuant to the provisions of paragraphs 3, 4C, 4D of Part –II of Schedule VI of the Companies Act, 1956 :

(a) Licensed Capacity, installed capacity & Production:

Unit Daman:

Licensed Capacity	N.A.	N.A.
-------------------	------	------

b) Traded Goods

Closing Stock and Sale of goods manufactured

	Unit Qty.	Openig Stock	Production	Sale	Closing Stock
Cosmetic Jewellery	Pcs.	140200	–	–	140200
		(140200)	–	–	(140200)
	Value in Rs.	128984	–	–	128984
		(128984)	–	–	(128984)
Hawal Chappal	Pairs	–	5547330	5547330	–
		–	(2094840)	(2094840)	–

KALPENA PLASTIKS LIMITED

	Value in Rs.	-	-	206574810.00	-
		-	-	(88799556.00)	-
Plastic Colour	MT	-	3963.300	3963.300	-
Granuels		-	-	-	-
	Value in Rs.	-	-	238889647.50	-
		-	-	-	-

c) Value of import on CIF basis	2009-2010	2008-2009
i) Raw Material	-	-
ii) Expenditure in Foreign Currency (on cash basis)	Nil	Nil

d) Raw Materials, Components, and Spares Consumed :-

Particulars	2009-10		Spares		2008-09	
	Raw Materials & Components	%		%	Raw Materials & Components	%
Imported at Landed Cost	421770040.37	97.23	Nil	Nil	81523467.00	95.63
Indigenous	12020400.00	2.77	Nil	Nil	3728813.00	4.37
	433790440.37	100			85252280.00	100

e) Traded Goods	Unit	Opening Stock		Purchase		Sales		Closing stock	
		Qty.	value	Qty.	value	Qty.	value	Qty.	Value
i) PVC Compound without filler	MT	—	—	2220	98051000	2220	98420000	—	—
		(270)	(14040000)	(4844)	(202270050)	(5114)	(217182000)	—	—
ii) Colour master Batch	MT	—	—	6000	328450000	6000	329500000	—	—
		—	—	(435)	(30667500)	(435)	(30885000)	—	—
iii) P.E.Compound	MT	—	—	3535	39427616	3535	41605468.75	—	—
		—	—	(7814)	(418741450)	(7814)	(421514152.50)	—	—
iv) Modified LLDPE Compound	MT	—	—	1490	69247500	1490	69570000	—	—
		(230)	(14030000)	(2280)	(94837500)	(2510)	(109430000)	—	—
v) Plastic Compound	MT	—	—	—	—	—	—	—	—
		(122)	(1676371.50)	—	—	—	—	—	—
vi) Hawai Chappel	Pairs	—	—	—	—	—	—	—	—
		—	—	(2475600)	(237498910)	(2475600)	(240785546.75)	—	—
vii) Plactic Scrap	MT	—	—	1	13750	1	15000.00	—	—
		—	—	—	535189866	—	539110468.75	—	—
		(29746371.50)	—	—	(984015410)	—	(1019796699.25)	—	—
		—	—	—	—	—	—	—	—
Less:- Own Consumption		—	—	(122MT)	(1676371.50)	—	—	—	—
		—	—	—	535189866	—	539110468.75	—	—
		(29746371.50)	—	—	(982339038.50)	—	(1019796699.25)	—	—

KALPENA PLASTIKS LIMITED

4. The break up of deferred tax assets and deferred tax liabilities are as given below:
- | | | |
|--|------------|------------|
| Deferred Tax Assets (Not provided) Differences in | 31.03.2010 | 31.03.2009 |
| Depreciation and other differences in block of Fixed Assets as per tax books and financial books | 98522.00 | 85541.00 |
5. Estimated amount of contracts remaining to the executed on capital account not provided for — 4250000
6. In accordance with Accounting Standard (AS-20) on 'Earning Per Share' (EPS) computation of basic and diluted earning per share is as under:
- | | | |
|--|---------|---------|
| | 2009-10 | 2008-09 |
| Net profit for basic earnings per share as per Profit and Loss Account | 1019122 | 1419452 |
| i) Adjustment for the purpose of diluted earnings per share Exchange gain on realignment of SCCB and Conversion rate difference | | |
| Less : Tax effect | 170435 | 178000 |
| Net Profit for diluted earnings per share | 848688 | 1241452 |
| ii) Weighted Average number of Equity Shares for calculation of basic and diluted earning per share (Face Value of Rs. 10/- per share) | | 2268500 |
| a) Basic earnings per share | 3083509 | 2268500 |
| b) Diluted earning per share | 3083509 | 2268500 |
| iii) Earning per Share | | |
| a) Basic | 0.28 | 0.55 |
| b) Diluted | 0.28 | 0.55 |
7. Related party disclosures:
- Related party disclosures as required under Accounting Standard 18 (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are given below:
- | | | |
|---|---------|---------|
| i) Subsidiary Company | None | |
| ii) Associated Concerns: | None | |
| iii) Key Management Personnel | | |
| a) Mr. B. L. Bohara, Director | | |
| b) Mr. Mohan Kumar Tiwary, Director | | |
| c) Mr. Kashi Nath Agarwal, Director | | |
| d) Mr. Jitendra Tiwari, Director | | |
| | 2009-10 | 2008-09 |
| iv) Transaction & out standing Balance | | |
| a) Transaction | None | None |
| b) Out Standing Balances as on 31.03.2010 | None | None |
8. Figures of the Previous year have been regrouped / rearranged wherever necessary. All amounts have been rounded off to nearest rupees. In term of our report of even date annexed herewith.

For Maloo & Company
Chartered Accountants
(J. L. Maloo)
Proprietor
Membership No. 300/17649
Dated : 4th Day fo September, 2010

For & on behalf of the board
B. L. Bohara
Kashi Nath Agarwal
M. K. Tiwary
J. Tiwari
A. B. Chakrabartty

ABSTRACT OF BALANCE SHEET AS AT 31.3.2010 AND COMPANY'S GENERAL BUSINESS PROFIT AS PER PART- IV OF SCHEDULE- VI (AMENDED) TO THE COMPANIES ACT, 1956

I. REGISTRATION DETAILS :

Registration No. L25200WB1989PLC047702 State Code : 21
Balance Sheet Date 31st March, 2010

II. CAPITAL RAISED DURING THE YEAR : (Amt. in Rs.)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	32600

III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS :

Total Liabilities :	75452716.35	Total Assets :	75452716.35
---------------------	-------------	----------------	-------------

<u>SOURCES OF FUND</u>	<u>Amount</u>	<u>APPLICATION OF FUND</u>	<u>Amount</u>
Paid up Capital	55285350	Net Fixed Assets	812092.00
Reserves & Surplus	4356206.51	Investments	Nil
Secured Loans	Nil	Net Current Assets	58709464.51
Unsecured Loan	Nil	Misc.Expenditure	120000.00
		Accumulated Losses	Nil

IV. PERFORMANCE OF THE COMPANY(Amt. in Rs.)

Turnover	984574926.25	Total Expenditure	984389579.25
Other Income	185347.00	Profit/Loss After Tax	848687.00
Profit/Loss Before Tax	1019123.00	Dividend Rate	Nil
Earning per share (in Rs.)	0.28		

V. GENERAL NAME OF THE PRODUCTS OF THE COMPANY

(As per monetary terms)

Item Code No.

(ITC Code)

Not Available

Products Description

Trading in Plastic Compound &
Manufacturing of Hawaii Chappals

For and on behalf of the Board

B. L. Bohara

K. N. Agarwal

M. K. Tiwary

J. Tiwari

A. B. Chakrabartty

DATED : 4th day of September, 2010

BOARD OF DIRECTORS

Mr. Bhanwar Lal Bohara
Mr. Kashinath Agarwal
Mr. Mohan Kumar Tiwary
Mr. Jitendra Tiwari

AUDITORS

M/s Maloo & Co.
Chartered Accountants
3, Mango Lane, 2nd Floor,
Kolkata – 700 001

COMPANY SECRETARY

Mr. A. B. Chakrabartty

BANKERS

Dena Bank
HDFC Bank

REGISTERED OFFICE

3, Saheed Nityananda Saha Sarani
Kolkata – 700 001
Tel: 91 – 33 – 3020 7855
Fax: 91 – 33 – 3020 7856
E Mail : sarlagemsltd@yahoo.com

REGISTRAR & SHARE TRANSFER AGENT

S.K.Computers
(Unit –Kalpena Plastiks Ltd),
34/1A, Sudhir Chatterjee Street
Kolkata – 700 006
Tel: 91 – 33- 2219- 4815 / 6797
E Mail : skcdilip@gmail.com

KALPENA PLASTIKS LIMITED

Registered Office: 3, Saheed Nityananda Saha Sarani, Kolkata – 700 001

ATTENDANCE SLIP

Shareholder	DP ID*	Client ID*	Folio	No. of Shares held
Proxy				

I hereby record my presence at the 21st Annual General Meeting of the company to be held at 3, Saheed Nityananda Saha Sarani, Kolkata - 700 001, on Thursday, the 30th September, 2010 at 10:30 A.M. and at any adjournment thereof.

Member's/ Proxy's Name

Member's/Proxy's Signature

Notes:-

1. Please sign this attendance slip and hand it over at the attendance counter at the entrance of the Meeting Hall. Joint holders may obtain additional attendance slip on request.
2. This attendance is valid only in case shares are held on the date of the meeting.

* Applicable for Investors holding shares in Electronic form.

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KALPENA PLASTIKS LIMITED

Registered Office: 3, Saheed Nityananda Saha Sarani, Kolkata - 700 001

PROXY FORM

DP ID*	Client ID*	Folio	No. of shares held

I/We _____ of _____
being a member / members of KALPENA PLASTIKS LIMITED hereby appoint _____
_____ of _____ or failing
him _____ as my/our proxy to attend and vote for
me /us and on my/our behalf at the 21st Annual general meeting of the company to be held on 30th day, of
September, 2010, at 10:30 A. M at 3, Saheed Nityananda Saha Sarani, Kolkata - 700 001, and at any
adjournment thereof. As witness my/our hand (s) this Day of 2010.

Signature by the said _____

Affix Revenue Stamp of Rs. 1/-.

Notes:-

1. The Proxy need not be a member.
2. The proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
3. Proxy cannot speak at the meeting or vote on a show of hands.

* Applicable for Investors holding shares in Electronic form.

BOOK POST

If undelivered please return to :

KALPENA PLASTIKS LIMITED

3, Saheed Nityananda Saha Sarani

Kolkata - 700 001