

**23rd
Annual Report
and Accounts
2011-12**

KALPENA PLASTIKS LIMITED

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

Dena Bank
HDFC Bank

REGISTERED OFFICE

3, Saheed Nityananda Saha Sarani
Kolkata – 700 001
E-mail : sarlagemsltd@yahoo.com

REGISTRAR & SHARE TRANSFER AGENT

C B Management Services (P) Limited
(Unit – Kalpena Plastiks Ltd),
P-22-Bondel Road, Kolkata - 700 019
Phone : 033 22806692 / 93 / 94 / 2486 / 4011 6700
Fax : 033 22870263
E Mail : rta@cbmsl.com

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of KALPENA PLASTIKS LIMITED will be held on Saturday, the 29th Day of September, 2012 at 10.00 a.m. at the Registered office of the Company at 3, Saheed Nityananda Saha Sarani, 2nd Floor. Kolkata 700 001, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date together with the Directors' and the Auditors' Reports, thereon.
2. To appoint a Director in place of Mr. Deo Kishan Kalwani, who retires by rotation and being eligible offers himself for reappointment.
3. To Appoint Auditors and to fix their Remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 163 and other applicable provisions, if any, of the companies Act, 1956, the Register of Members and Index of Members, in respect of shares / securities issued by the Company and the copies of all Annual Returns , prepared under Section 159 and 160, together with copies of the certificates and documents required to be annexed thereto under section 160 and 161, be kept at the office of the Registrar & Share Transfer Agents of the Company viz. M/s. CB Management Services (P) Limited, at P-22, Bondel Road, Kolkata – 700 019 or at any other place of office of Registrar & Share Transfer Agent, in Kolkata."

Registered Office:
3, Saheed Nityananda Saha Sarani, 2nd Floor
Kolkata 700 001

Date : 31st August, 2012

By Order of the Board of Directors

J.Tiwari
(Chairman)

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. 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 FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING. THE PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. 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.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 22nd September, 2012 to Saturday, 29th September, 2012 (both days inclusive).
4. 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 1.00 p.m. up to the date of Meeting.
5. Shareholders are requested to bring their Attendance Slip along with copy of Annual Report to the venue of the Meeting.
6. 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.
7. Members, holding Shares in Demat mode are requested to notify the change in their address / bank account to their respective Depository Participant(s) (DPs).
8. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of the notice/ documents including Annual Report can be send by e-mail to its member. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.
9. 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:-

KALPENA PLASTIKS LIMITED

BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT / RE APPOINTMENT, NATURE OF THEIR EXPERTISE IN SPECIFIC FUNCTIONAL AREA AND NAME OF THE COMPANIES IN WHICH THEY HOLD DIRECTORSHIP AND MEMBERSHIP / CHAIRMANSHIP OF BOARD COMMITTEES, AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES IN INDIA.

Name of Director	Date of Birth	Qualification	Experience	Directorship and Membership/ Chairmanship in other Companies in which he is a director. #	Share holdings in Kalpena Plastiks Limited
Deo Kishan Kalwani	05.06.1945	Graduate from Calcutta University	MR. KALWANI AGED ABOUT 66 YEARS HAS MORE THAN 47 YEARS EXPERIENCE IN BUSINESS AND SERVICE AND HAS HELD DISTINGUISHED POSITION IN PRESTIGIOUS COMPANIES.	NIL	NIL

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

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:

3, Saheed Nityananda Saha Sarani, 2nd Floor
Kolkata 700 001

Date : 31st August, 2012

By Order of the Board of Directors

J.Tiwari
(Chairman)

KALPENA PLASTIKS LIMITED

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

Item No. 4

The Company had earlier obtained approval of members for keeping the Register of Members, Index of members and copies of Annual Return etc. at the office of the then Registrar & Share Transfer Agents of the Company viz. M/s. S.K.Computers, 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006.

The Board of Directors at its meeting held on 05.01.2012 , have appointed M/s. CB Management Services (P) Ltd, as Registrar & Share Transfer Agents , having office at P-22, Bondel Road, Kolkata – 700 019 , both for Physical as well as de mat mode with effect from 1st March, 2012.

In view of this, fresh approval of the members is desirable / required for maintaining the Register of Members, Index of members and copies of Annual Return etc. at the new address of Registrar & Share Transfer Agent of the Company.

The Board of Directors accordingly recommends the resolution set out in item No.4 of the accompanying notice, for approval of the members.

None of the directors is, in any way interested or concerned in the resolution, except as members of the Company.

Registered Office:

3, Saheed Nityananda Saha Sarani, 2nd Floor
Kolkata 700 001

Date : 31st August, 2012

By Order of the Board of Directors

J.Tiwari
(Chairman)

DIRECTORS' REPORT

Dear Shareowners
Kalpena Plastiks Limited

Your Directors are pleased to present the 23rd Annual Report together with the audited accounts for the year ended 31st March 2012.

Financial Performance**(Rs. In Lacs)**

Particulars	2011-2012	2010-2011
Sales & other Income	4119.61	1910.25
Profit before Depreciation, Interest & Tax	(5.72)	10.53
Less : Depreciation	0.11	0.57
Interest	0.09	0.03
Profit before Tax	(6.97)	9.93
Less : Provision for Tax	0	2.68
Profit After Tax	(6.97)	7.25
Add : Profit brought forward from previous year.	30.81	23.56
Balance Carried to B/S	23.84	30.81

Operations

During the year 2011-12, the company has achieved a sales turnover of Rs. 41 Crore, against Rs. 19 Crore in the previous year. However, the company suffers a loss of Rs. 6.97 lacs as against profit of Rs. 7.25 lacs in the previous year. This is mainly due to high raw material cost.

Dividend

Your Directors feel that there is a need to conserve resources for future plans and regret their inability to recommend any dividend for the current year.

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

Mr. Deo Kishan Kalwani, Director of the company, liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

Appropriate resolution for his reappointment is being placed before you for your approval at the ensuing Annual General Meeting. The brief resume and other information of the eligible directors in terms of the provisions of clause 49 of the Listing Agreement with Stock Exchanges have been detailed elsewhere in the notice. Your Directors recommends his reappointment as Director of your Company.

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, 2012 and its loss 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 and Auditors' Report

The Statutory Auditors of the Company, M/s Maloo & Co., Chartered Accountants, Kolkata, retire at the conclusion of the ensuing Annual General Meeting of the Company and confirmed their willingness and eligibility for re-appointment, if made, will be within the limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for 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.

Cost Audit

M/s. D. Sabyasachi & Co., Cost Accountants, Kolkata have been appointed as Cost Auditors of the Company for the Financial Year 2012-13 commencing 1st April, 2012, subject to approval of the Central Government. Compliance Audit relating to 'PVC Compound' for the year ended 31st March, 2012, has been conducted by the said cost auditors and related report will be submitted to the Ministry of Corporate Affairs, Government of India within the prescribed time.

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.

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

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 – 'A'**.

Corporate Governance

A separate section on Corporate Governance, as stipulated under Clause – 49 of the Listing Agreement with the Stock Exchanges in India, forming part of the Annual Report and marked as **Annexure – ‘B’**.

A certificate from the Auditors of the Company M/s Maloo & Co., Chartered Accountants, Kolkata, confirming compliance of 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 convey their sincere 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.

Your Directors also wish to thank to all the shareholders, customers, dealers, suppliers, bankers, financial institutions, Govt. authorities and all the other business associates for the continued support given by them to the Company and their confidence in its management.

Registered Office:

3, Saheed Nityananda Saha Sarani, 2nd Floor
Kolkata 700 001

Date : 31st August, 2012

By Order of the Board of Directors

J.Tiwari
(Chairman)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**ECONOMIC OVERVIEW:**

The world economy is moving into a slower growth phase principally due to the problems faced by the European economy and bleak prospects of US economy. This has also slowed down Chinese and Indian Economy. In this situation, it was expected that the commodity prices may remain at lower level for longer period. Commodity prices came down to some extent. But, recently, Company is seeing reverse trend especially in the price of Crude Oil and Commodity Plastics.

From the low level reached in the market, fluctuation in the prices of Commodity plastics was between USD 50 to 100 per ton in the last 2 to 3 weeks. Indian economy is further adversely affected due to non – decisiveness of Centre and State Governments on various pending issues which may push the GDP growth to a lower level of around 6.5% during the year 2012-13.

Indian Economy & Industry Scenario

Indian economy continued its growth story and performed well on all the fronts. The Growth estimates and measures to achieve it by the Government are also with positive frame of mind and are with business friendly attitude. However, the current year does not seem to be encouraging for your company, mainly due to high inflation and series of interest rates hike. Moreover, the question of price stability in polymer market across India is uncertain.

Industry's structure and developments

Plastics are fast growing Industry in India with a vast export potential. The Industry contributes significantly to the direct and indirect taxes to the Government of India. It also has a vast potential to generate employment in the country. It is expected that the Industry will continue to grow in future and contribute to the over all development of the country.

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 the Company will significantly increase.

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.

Future Outlook of the Company

The performance of the Company in the financial year 2011-12 is not satisfactory enough. 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

Based on the operations of the Company, new risks, if any, are identified and steps are taken to mitigate the same. At Kalpena Plastiks Ltd, management ensures that risks are adequately measured, estimated and controlled to enhance shareholders value.

Internal Control System and their adequacy

The Company believes that its internal control system and procedures are commensurate with its size and provides, among others, a reasonable assurance that transactions are executed with Management

KALPENA PLASTIKS LIMITED

authorization and ensure preparation of financial statements are prepared conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or losses.

The Company has proven ongoing system of internal controls so to ensure optimal utilization of the Company's resources and protection thereof, facilitating accurate and speedy compilation of accounts, management information reports and regular and adequate compliance with statutes, laws and regulations. The Company has a well defined organization structure, authority levels and internal guidelines and rules for each area of functions.

Financial Performance & Analysis

(Rs. In Lacs)

Particulars	2011-2012	2010-2011
Sales & other Income	4119.61	1910.25
Profit before Depreciation, Interest & Tax	(5.72)	10.53
Profit before Tax	(6.97)	9.93
Less : Provision for Tax	0	2.68
Profit After Tax	(6.97)	7.25
Add : Profit brought forward from previous year.	30.81	23.56
Balance Carried to B/S	23.84	30.81

Human Resources

The Company believes that Human Resource represents the most valuable asset which provides an edge over its competitors. Human resource is considered as key to the future growth strategy of the Company and looks upon to focus its efforts to further align human resource policies, processes and initiative to meet its business needs. The Company is continuously stepping up its efforts for optimum utilization of workforce. The Company's expansion program will enable to improve upon its present skill formation program. This is necessary because the Company is moving towards higher automation.

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:

Corporate Governance which encompasses the moral, ethical and legal framework within which an organization functions has become imperative today. Good governance practice stems from culture and mindset of the organization. Kalpena Plastiks Limited is conscious of the fact that the success of the organization is reflection of the professionalism, conduct and ethical values of its management and employees. Thus your company envisages an attainment of transparency, accountability, and propriety in total functioning of the company and conduct of business, both internally and externally. Our governance practice stems from an inherent desire to improve and innovate and reflects the culture of trusteeship that is deeply ingrained in our value system and forms part of strategic thought process.

Kalpena Plastiks believes in maintaining the highest standards of Corporate Governance and its Company's constant endeavor to adapt the best corporate Governance practice as laid down in international codes of Corporate Governance and as practiced by well known global companies. Some of the best global governance norms put into practice include the following:

- All securities related filing with the Stock Exchange and SEBI are reviewed every quarter by the Shareholders' / Investors' Grievances Committee of Directors of the Company.
- The Company also undergoes secretarial audit conducted by an Independent Company Secretary in whole time practice. The quarterly audit reports are well placed before the Board and the Annual audit report placed before the Board is included in the Annual Report.

2. BOARD OF DIRECTORS:

The Board of directors ("the Board") is at the core of Company's Corporate Governance practices and oversees how Management serves and protects the long term interest of the stakeholders. It brings in strategic guidance, leadership and independent view to Company's Management while discharging its fiduciary responsibilities thereby ensuring that Management adheres to highest standards of ethics, transparency and disclosure.

Our policy towards the Composition of Board is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of Board and to separate its functions of Governance and Management.

The size and composition of the Board confirms to the requirement of Clause 49 of the Listing Agreement with Stock Exchanges. The Board of Directors presently consists of 5 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	Attendance Particulars		Outside Directorships & Committee Position		
			Board Meeting	Last AGM	Other Directorships*	Committee Memberships#	Committee Chairmanships#
Mr. J.Tiwari	Chairman	Non Executive & Independent	6	Yes	–	–	–
Mr. K.N.Agarwal	Director	Non Executive & Independent	2	No	–	–	–
Mr. M.K.Tiwary	Director	Non Executive & Independent	2	No	–	–	–
Mr. B.L.Bohara	Director	Non Executive & Independent	6	Yes	–	–	–
Mr. D. K. Kalwani	Director	Non Executive & Independent	6	Yes			

* 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. None of the Directors hold any shares of the Company.

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 2011-2012, the Board met six times, the details whereof are given below. The gap between two Board meetings did not exceed 4 months.

Sl. No.	Date	Sl.No.	Date
1	14th May, 2011	4	14th November, 2011
2	11th August, 2011	5	05th January, 2012
3	2nd September, 2011	6	14th February, 2012

3. COMMITTEES OF THE BOARD:

Currently, there are two Board Committees– the Audit Committee and the Share Transfer and Investors Grievances Committee. The terms of reference of the Committee(s) detailing their scope of work are determined by Board from time to time. The Board periodically reviews the minutes of the meetings of Audit Committee and the Share Transfer and Investors Grievances Committee. Composition, terms of reference, number of meetings and related attendance etc., of these committees are detailed.

3.1 AUDIT COMMITTEE:

The Audit committee was constituted on 26th April, 2002. Since then it has been dealing with matters prescribed by the Board of Directors on a case to case basis. In general the primary role/ objective of Audit Committee is to review the financial statements of the Company, strengthen internal controls and look into the transactions having monetary implications on the functioning of the Company. The nomenclature, constitution and terms of reference of the Committee is as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement of the Stock Exchange. The Committee comprises of three members, all of them are Independent Non Executive Director. All the members of the Audit Committee are financially literate whereas the Chairman of the Committee is a financial management expert.

During the year under review, 5 (five) meetings of Audit Committee were held on 14th May, 2011, 11th August, 2011, 02nd September, 2011, 14th November, 2011 and 14th February, 2012 in due compliance with the stipulated provisions. The attendance record of members of the Audit Committee is given as under:

Name of Director	Category	Attendance of Directors				
		14.05.2011	11.08.2011	02.09.2011	14.11.2011	14.02.2012
Mr. J. Tiwari (Chairman)	Non-Executive Independent	Yes	Yes	Yes	Yes	Yes
Mr. B. L. Bohara (Member)	Non-Executive Independent	Yes	Yes	Yes	Yes	Yes
Mr. D. K. Kalwani*(Member)	Non-Executive Independent	Yes	Yes	Yes	Yes	Yes

* inducted as member on 14.05.2011

Term of reference:

The terms of reference to the Committee are in accordance with paragraph C and D of clause 49(II) of the listing agreement entered into with the stock exchanges and major terms of reference, inter alia, include the following :

- ❖ Reviewing Company's Financial reporting process.
- ❖ Reviewing the Annual financial statements,
- ❖ Reviewing the Internal Audit systems, if any and the adequacy of Internal Control Systems and
- ❖ Reviewing the Company's Financial and Risk Management policies.

3.2 SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE :

The Company has constituted Share Transfer & Investors Grievance Committee to specifically look into the redressal of Investors' Complaint primarily focuses on :

1. Review of the investor complaints and their redressal
2. Review of queries received from investors
3. Review of the work done by the Share Transfer Agent relating to Share Transfer, Issue of Duplicate shares and other related matters.
4. Review of the corporate action related to the shareholders issue.
5. To authorize Managers/ Officers/Signatories for signing Share Certificates.
6. Such other functions as may be assigned by the Board.

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 Compliance Officer of the Company.

Composition:

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

- a. Mr. B.L.Bohara – *Chairman (Non Executive)*
- b. Mr. J.Tiwari – *Member (Non-Executive) (inducted as member w.e.f 14.05.2011)*
- c. Mr. D.K.Kalwani – *Member (Non- Executive)(inducted as member on 14.05.2011)*

The Committee met 20 times during the year 2011-2012.

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

Sl.No	Name	Meeting held during the year	Meeting attended
1	Mr. B.L.Bohara	20	20
2	Mr. K.N.Agarwal*	20	2
3	Mr. M.K.Tiwari **	20	2
4	Mr. D.K.Kalwani	20	18
5	Mr. J.Tiwari	20	18

* ceased to be member w.e.f 14.05.2011

** ceased to be members w.e.f 14.05.2011

KALPENA PLASTIKS LIMITED

During the year ended 31st March, 2012, 52 complaints were received and all have settled.

Details of Remuneration Paid to Executive & 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.
2010-2011	30th September, 2011	10.00 A.M	3, Saheed Nityananda Saha Sarani, Kolkata – 700 001	None
2009-2010	30th September, 2010	10.30 A.M.	3, Saheed Nityananda Saha Sarani, Kolkata – 700 001	None
2008-2009	15th September, 2009	10.30 A.M.	3, Saheed Nityananda Saha Sarani, Kolkata – 700 001	1. Change in the name of the Company 2. Change in the Article of Association of the Company

No Extra – Ordinary General Meeting of the Shareholder was held during the year.

No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

5. DISCLOSURES:

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 on Accounts - Schedule 7, forming part of the Annual Report.

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.

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.

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.

Proceeds from Issues, if any: - Not Applicable.

Secretarial Audit :

A qualified practicing Company Secretary carried out Secretarial audit to reconcile the total admitted equity capital with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. The Secretarial Audit Report called the Reconciliation of Share Capital Audit Report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

6. MEANS OF COMMUNICATION :

The Company would like to constantly communicate with our investors about the operations and financial results of the Company. The quarterly results are normally published in the Financial Express in English and Arthik Lipi in Bengali. The Company intimates the financial result to the Stock Exchange immediately after they are taken on record by the Board.

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.

The Management Discussion and Analysis Report forms part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook, risks and concerns, internal control and systems, etc are discussed in the said report.

7. GENERAL SHAREHOLDERS INFORMATION :

(i) **Annual General Meeting (AGM)**

Day, Date & Time : Saturday, 29th day of September, 2012 at 10.00 A.M.
Venue : 3, Saheed Nityananda Saha Sarani, Kolkata – 700 001

(ii) **Date of Book Closure** : Saturday 22.09. 2012 to Saturday 29.09. 2012
(both days inclusive)

(iii) **Financial Calendar for Year 2012-2013 (tentative)**

The Company follows the financial year from April to March.

For the quarter ending	30 th June ,2012	} Within 45 days of the end of the quarter.
For the quarter & half year ending	30 th September ,2012	
For the quarter ending	31 st December, 2012	

For the quarter & year ending	31 st March ,2013 (Audited)	} With in 60 days of the end of the Quarter
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(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, 2012, 912115 shares representing 16.50% 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, NECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

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

The company has changed its Registrar and Transfer Agents from M/s. S.K.Computers, 34/ 1A, Sudhir Chatterjee Street, Kolkata – 700 006, to M/s. CB Management Services (P) Limited with effect from 1st March, 2012.

All future 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 6700

Fax: 033 2287 0263

E mail: rta@cbmsl.com

(viii) **Share Transfer System:**

Share transfer is done through depositories with no involvement of the Company within a maximum period of 15 days from the date of receipt provided the documents are valid and complete in all respects. All Share transfers are approved by the “Share Holders Grievance Committee”. The Company has appointed M/s. CB Management Services (P) Ltd., Kolkata as a common agency for share registry work. The Company obtains from a Company Secretary in practice half- yearly certificate of compliance with the share transfer formalities as required under Clause 47 (C) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

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

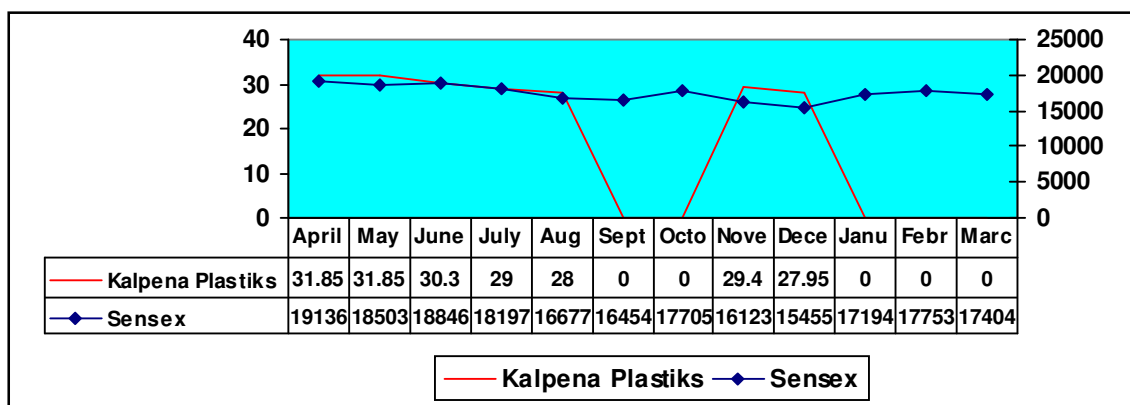
The investor grievances against the company are handled by the Company’s RTA, M/s. CB Management Services (P) Ltd., Kolkata, in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advance computer systems for speedy 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.

KALPENA PLASTIKS LIMITED

(x) **Market Price Data :**

The shares of the company are currently traded at BSE. The Stock Market data from 1st April 2011 to 31st March 2012 is given below:

Months	Bombay Stock Exchange Limited			
	Monthly High Price	Monthly Low Price	Sensex highest	Sensex lowest
Apr-11	31.85	31.85	19811.14	18976.19
May-11	31.85	31.85	19253.87	17786.13
Jun-11	30.30	30.30	18873.39	17314.38
Jul-11	29.00	28.80	19131.70	18131.86
Aug-11	28.00	28.00	18440.07	15765.53
Sep-11	NA	NA	17211.80	15801.01
Oct-11	NA	NA	17908.13	15745.43
Nov-11	29.40	29.40	17702.26	15478.69
Dec-11	27.95	27.95	17003.71	15135.86
Jan-12	NA	NA	17258.97	15358.02
Feb-12	NA	NA	18523.78	17061.55
Mar-12	NA	NA	18040.69	16920.61



KALPENA PLASTIKS LIMITED

(xi) **Distribution Schedule as on 31.03.2012**

Range	Number of Shareholders		Shares held in each class	
	Number	%	Number	%
Up to 500	18629	99.42	1262400	22.84
501-1000	61	0.33	46550	0.84
1001-2000	30	0.16	42100	0.76
2001-3000	8	0.04	19955	0.36
3001-4000	1	0.005	3100	0.06
4001-5000	1	0.005	4950	0.09
5001-10000	1	0.005	8000	0.14
10001 to 50000	2	0.01	37100	0.67
50001 to 100000	1	0.005	100000	1.81
100001 & above	3	0.02	4004380	72.43
Total	18737	100.00	5528535	100.00

(xii) **Share Holding Pattern as on 31.03.2012**

Category	No. of Shares Held	% of holding
Promoter's Holding		
i) Individual / HUF	0.00	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	136617	2.47
Indian Public	1384568	25.05
Total Non Promoters Holdings	1521235	27.52
Total	5528535	100%

KALPENA PLASTIKS LIMITED

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

As on 31st March, 2012, there are no outstanding GDRs, ADRs, convertible warrants or any other instruments convertible into equity shares, issued by the Company.

Correspondence related to shares / queries/requests :

1. 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.com
2. Alternatively investors may contact to;
Kalpena Plastiks Limited,
3, Saheed Nityananda Saha Sarani , 2nd Floor
Kolkata – 700 001

Declaration regarding Affirmation of Code of Conduct.

I Jitendra Tiwari, Chairman of Kalpena Plastiks Limited, 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, 2012.

Place : Kolkata
Date : 31st August, 2012

Sd/- J. Tiwari
Chairman

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, 2012, 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.

Kolkata
Dated : 31st August, 2012

For Maloo & Co
Chartered Accountants

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

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **M/S. KALPENA PLASTIKS LIMITED.** as at 31st March, 2012 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report as follows :

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 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 matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - (a) 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.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, received together with The Company's Accounting Policies and the notes thereto, give the information required by Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - ii) In the case of Profit and Loss Account, of the Profit of The Company for the year ended on that date.

3, Mangoe Lane,
Kolkata – 700001

Dated : 31st August, 2012

For MALOO & CO.
Chartered Accountants.
(J.L.MALOO)
PROPRIETOR
Membership No. 17649

ANNEXURE TO THE AUDITORS' REPORT

Referred to paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2012 of **M/S. KALPENA PLASTIKS LIMITED**.

- (1) According to the information and explanations given to us :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) As explained to us, all Fixed Assets have been physically verified by management during the year and there is 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.
- (2) In respect of Inventories :
 - (a) As explained to us, the 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 according to the explanation given to us, the procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company has maintained proper records of inventory. The discrepancies noticed on physical 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.
- (3)
 - (a) The Company has granted unsecured loans to none of the parties listed in the register maintained under section 301 of the Companies Act, 1956. Maximum amount involved in the transaction is Rs. Nil and the year end balance is Rs. Nil.
 - (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of unsecured loans given by the company are not, prima facie prejudicial to the interest of the Company.
 - (c) According to the information and explanation given to us, receipt of Principal amount and interest are also regular during the year.
 - (d) In respect of loans given by the Company, these are repayable on demand and therefore the question of over-due amount does not arise.
 - (e) The Company has taken unsecured loans from none of the party listed in the register maintained under section 301 of the Companies Act, 1956. Maximum amount involved in the transaction is Rs. Nil and the year end balance is Nil.
 - (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of unsecured loans taken by the company are not, prima facie prejudicial to the interest of the company.
 - (g) According to the information and explanation given to us, payment of Principal amount and interest are also regular during the year.

KALPENA PLASTIKS LIMITED

- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of 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 observed any continuing failure to correct major weaknesses in internal controls systems.
- (5) (a) In our opinion and according to the information and explanations 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, transaction made in pursuance of contract or arrangement has been entered in the register maintained under section 301 of the Companies Act, 1956 and transactions exceeding the value of ₹ 5,00,000.00 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.
- (6) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
- (7) In our opinion, the company has an Internal Audit System commensurate with the size and nature of its business.
- (8) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
9. In respect of Statutory Dues :
- (a) The company is regular in depositing with the appropriate authorities undisputed statutory dues including Income tax and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed amount payable in respect of Income-tax, Wealth Tax, Sales Tax, Excise Duty, Custom Duty, Cess and other statutory dues were in arrears, as at 31st March, 2012 for a period of more than six months from the date they become payable.
- (c) As explained to us Provident Fund and Employees State Insurance is not applicable during the year under review.
- (10) The Company does not have accumulated losses at the end of financial year. The Company has incurred cash losses during the financial year covered by our audit but no cash loss was incurred in the immediately preceding financial year.
- (11) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to the financial institutions, bank or debenture holders.
- (12) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) 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 CARO, 2003 (As amended) are not applicable to the company.
- (14) The company is not in the business of dealing or trading in shares and securities. In our opinion, proper records have been maintained of the transactions and contracts and timely entries have

KALPENA PLASTIKS LIMITED

been made therein. The investment in shares & securities have been held by the company in its own name.

- (15) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institution.
- (16) In our opinion, the company has not taken any term loan.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no fund raised on short term basis have been used for long term investment.
- (18) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (19) According to the information and explanations given to us, the company has not issued any secured debentures during the period covered by our audit report.
- (20) According to the information and explanations given to us, the company has not raised any money through public issue.
- (21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

3, Mangoe Lane,
Kolkata – 700001

For MALOO & CO.
Chartered Accountants.

Dated : 31st August, 2012

(J.L.MALOO)
PROPRIETOR
Membership No. 17649

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No	Figures as at the end of current reporting period 31.03.2012 ₹	Figures as at the end of previous reporting period 31.03.2011 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1A	55285350.00	55285350.00
(b) Reserves and Surplus	1B	4382722.62	5080637.66
(2) Current Liabilities			
(a) Trade payables	2A	140964278.00	16229585.50
(b) Other current liabilities	2B	1581563.64	238180.00
(c) Short-term provisions	2C	3447835.00	3447835.00
Total		205661749.26	80281588.16
II. Assets			
(1) Non-current assets			
(a) Fixed assets	3A		
(i) Tangible assets		2329807.20	841352.00
(ii) Capital work-in-progress		0.00	142200.00
(b) Long term loans and advances	3B	340960.00	2431614.00
(c) Other non-current assets	3C	0.00	34400.00
(2) Current assets			
(a) Inventories	4A	19837782.76	2208826.25
(b) Trade receivables	4B	123585480.50	63886168.50
(c) Cash and cash equivalents	4C	52878074.30	6922215.55
(d) Short-term loans and advances	4D	6629644.50	3724811.86
(e) Other current assets	4E	60000.00	90000.00
Total		205661749.26	80281588.16

As per our report of even date attached

3, Mangoe Lane, 2nd Floor
Kolkata - 700001

For **MALOO & COMPANY**
Chartered Accountants

For & on behalf of the Board

J. Tiwari

B. L. Bohara

D. K. Kalwani

J.L.Maloo
(Proprietor)

Membership No. 17649

Dated : 31st August, 2012

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No	Figures as at the end of current reporting period 31.03.2012 ₹	Figures as at the end of previous reporting period 31.03.2011 ₹
I. Revenue from operations	5A	411767530.50	187344956.75
II. Other Income	5B	193297.00	3680250.67
III. Total Revenue (I +II)		411960827.50	191025207.42
IV. Expenses:			
Cost of materials consumed	6A	183987265.99	183414336.00
Purchase of Goods	6B	232098170.00	0.00
Changes in inventories of finished goods and Stock-in-Trade	6C	(10950850.75)	(248366.25)
Employee benefit expense	6D	2631695.00	2129354.65
Financial costs	6E	9784.00	0.00
Depreciation and amortization expense	3A	115711.80	57491.00
Other expenses	6F	4766966.50	4679660.87
Total Expenses		412658742.54	190032476.27
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(697915.04)	992731.15
VI. Exceptional Items		0.00	0.00
VII. Profit before extraordinary items and tax (V-VI)		(697915.04)	992731.15
VIII. Extraordinary Items		0.00	0.00
IX. Profit before tax (VII - VIII)		(697915.04)	992731.15
X. Tax expense:			
(1) Current tax (Provision for Taxation)		0.00	268300.00
(2) Deferred tax		0.00	0.00
XI. Profit(Loss) from the period from continuing operations	(IX-X)	(697915.04)	724431.15
XII. Profit/(Loss) from discontinuing operations		0.00	0.00
XIII. Tax expense of discounting operations		0.00	0.00
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		0.00	0.00
XV. Profit/(Loss) for the period (XI + XIV)		(697915.04)	724431.15
XVI. Earning per equity share:			
(1) Basic		(0.13)	0.13
(2) Diluted		(0.13)	0.13

As per our report of even date attached

3, Mangoe Lane, 2nd Floor
Kolkata - 700001

For **MALOO & COMPANY**
Chartered Accountants

For & on behalf of the Board

J. Tiwari

J.L.Maloo
(Proprietor)

B. L. Bohara

Dated : 31st August, 2012

Membership No. 17649

D. K. Kalwani

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
DESCRIPTION :		
A. Cash Flow From Operating Activities :-		
Net Profit before tax	(697,915)	992,731
<u>Adjustment For :-</u>		
Depreciation	115,712	57,491
Interest	-	-
Interest Income	(193,297)	(179,974)
Dividend Received	-	-
Miscellaneous Expenses W/off	30,000	30,000
Rent Received	-	(45,000)
Speculation Profit	-	(3,455,277)
Opening Profit before Working Capital changes	(745,500)	(2,600,029)
Working Capital Changes		
(Increases) / Decrease in Trade Receivables	(59,699,312)	(27,726,174)
(Increases) / Decrease in Inventories	(17,628,957)	9,795,587
(Increases) / Decrease in Other Receivables	(779,778)	(505,278)
Increases / (Decrease) in Trade Payables	124,734,692	3,836,141
Increases / (Decrease) in Other Liabilities & Provisions	1,343,383	-
Cash generated from operations	47,224,528	(17,199,754)
Income Tax & FBT paid	-	(17,999)
Net Cash Flow From Operating Activities A :	47,224,528	(17,217,753)
B. Cash Flow From investing Activities :-		
Purchase of Fixed Assets	(1,461,967)	(228,951)
Dividend	-	-
Interest Received	193,297	179,974
Rent Received	-	45,000
Speculation Profit Received	-	3,455,277
Net Cash Flow From Investing Activities B :	(1,268,670)	3,451,300
C. Cash Flow from Finance Activities		
Interest Paid	-	-
Net Cash Flow from Finance Activities C :	-	-
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	45,955,858	(13,766,453)
CASH & CASH EQUIVALENTS, beginning of the year	6,922,216	20,688,668
CASH & CASH EQUIVALENTS, end the year	52,878,074	6,922,216

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,2012
- 3) Previous Year's figures has been regrouped wherever necessary.

3, Mangoe Lane, 2nd Floor
Kolkata - 700001

For **MALOO & COMPANY**
Chartered Accountants

For & on behalf of the Board

J. Tiwari

J.L.Maloo
(Proprietor)

B. L. Bohara

Dated : 31st August, 2012

Membership No. 17649

D. K. Kalwani

KALPENA PLASTIKS LIMITED

NOTES TO ACCOUNT

	As on 31.03.2012 ₹	As on 31.03.2011 ₹
I. EQUITY AND LIABILITIES		
1. SHAREHOLDER'S FUNDS		
A. Share Capital		
a) Authorised (8000000 Es of Rs.10/- each)	8000000.00	8000000.00
b) Issued		
c) Issued,Subscribed & Fully Paid Up (5528535 Es of Rs.10/- each)	55285350.00	55285350.00
d) Subscribed & Not Fully Paid Up	0.00	0.00
e) Per Value Per Share		
f) <u>Calls Unpaid</u>		
By Director	0.00	0.00
By Officers	0.00	0.00
g) Forfited Share (amount originally paid up)	0.00	0.00
	55285350.00	55285350.00
B. Reserves & Surplus		
a) Capital reserves	2000000.00	2000000.00
b) Capital Redemption Reserves	0.00	0.00
c) Securities Premium Reserves	0.00	0.00
d) Debenture Redemption Reserves	0.00	0.00
e) Revaluation Reserves	0.00	0.00
f) Share option outstanding Account	0.00	0.00
g) Special Reserves		
Profit & Loss A/c.	3080637.66	2356206.51
Add: For the year	(697915.04)	724431.15
	2382722.62	3080637.66
	4382722.62	5080637.66
2. CURRENT LIABILITIES		
A. Trade Payables		
	140964278.00	16229585.50
	140964278.00	16229585.50
B. Other current liabilities		
a) Other Payable	1581563.64	238180.00
	1581563.64	238180.00
C. Short term provisions		
a) Provision for Income Tax	3431066.00	3431066.00
b) Provision for FBT	16769.00	16769.00
	3447835.00	3447835.00

NOTE - 3A
DETAILS OF FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.03.2012

(Amount in ₹)

Particulars	Rate of Depreciation	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2011	Addition during the Year	Transfer/Sales during the Year	As at 31.3.2012	Upto 01.04.2011	For The Year	Upto 31.03.12	As at 31.03.12	As at 31.03.11
Land & Building	3.34%	0.00	441453.00	0.00	441453.00	0.00	8580.83	8580.83	432872.17	0.00
Plant & Machinery	4.75%	738487.00	826202.00	0.00	1564689.00	111612.00	61886.81	173498.81	1391190.19	626875.00
Furniture & Fixture	6.33%	959589.00	0.00	0.00	959589.00	931053.00	1812.60	932865.60	26723.40	28536.00
Office Electric Appliances	4.75%	358875.00	23860.00	0.00	382735.00	287343.00	17857.87	305200.87	77534.13	71532.00
Electrical Installation	4.75%	86099.00	273932.00	0.00	360031.00	28630.00	12655.59	41285.59	318745.41	57469.00
Computer	16.21%	58116.00	0.00	0.00	58116.00	1176.00	9420.60	10596.60	47519.40	56940.00
Motor Cycle	9.50%	0.00	38720.00	0.00	38720.00	0.00	3497.50	3497.50	35222.50	0.00
Capital Work-in-Progress	-	142200.00	0.00	142200.00	0.00	0.00	0.00	0.00	0.00	142200.00
		2343366.00	1604167.00	142200.00	3805333.00	1359814.00	115711.80	1475525.80	2329807.20	983552.00
Previous Year		2114415.00	228951.00	0.00	2343366.00	1302323.00	57491.00	1359814.00	983552.00	

**As on
31.03.2012**

₹

**As on
31.03.2011**

₹

II. ASSETS
3 NON-CURRENT ASSETS
B) Long Term Loans and Advances

Capital Advances	0.00	1949454.00
Security Deposits	340960.00	482160.00
	340960.00	2431614.00

C) Other Non-Current Assets

Long Term Trade Receivable	0.00	34400.00
	0.00	34400.00

4 CURRENT ASSETS
A. Inventories

Raw Materials	8509581.76	1831476.00
Work in Progress	0.00	0.00
Finished Goods	128984.00	377350.25
Stock in Trade	11199217.00	0.00
	19837782.76	2208826.25

	As on 31.03.2012 ₹	As on 31.03.2011 ₹
B. Trade Receivable	123585480.50	63886168.50
	<u>123585480.50</u>	<u>63886168.50</u>
C. Cash & Cash Equivalent		
a) <u>Balance with Bank</u> In Current Account	13599288.15	791634.73
Bank deposits with more than 12 months maturity	17050945.00	2375086.00
b) Cheques, Drafts on hand	22138902.00	3455276.67
c) Cash-in-hand	88939.15	300218.15
	<u>52878074.30</u>	<u>6922215.55</u>
D. Short Term Loans and Advances		
a) Loans and Advances to Related Parties	0.00	0.00
b) Loans & Advances to Others	6629644.50	3724811.86
	<u>6629644.50</u>	<u>3724811.86</u>
E. Other Current Assets	60000.00	90000.00
	<u>60000.00</u>	<u>90000.00</u>
I. STATEMENT OF PROFIT & LOSS		
5 REVENUE FROM OPERATIONS		
A. Revenue from operation in respect of non-finance Co.		
Sale of Products	449519219.00	188601697.75
Sale of Services	0.00	0.00
Other operating revenue	0.00	0.00
	449519219.00	188601697.75
Less: Excise Duties	37751688.50	1256741.00
	411767530.50	187344956.75
B. Other Income		
a) Interest Income (other than a finance company)	193297.00	179974.00
b) Operating income- Rent Received	0.00	45000.00
c) Speculation Profit	0.00	3455276.67
	193297.00	3680250.67

	As on 31.03.2012 ₹	As on 31.03.2011 ₹
6 EXPENSES		
A. Cost of material consumed	183987265.99	183414336.00
B. Purchase of Goods	232098170.00	0.00
C. Changes in inventories of finished goods and Stock-in-Trade		
Opening Stock		
- Finished Goods	377350.25	128984.00
- Traded Goods	0.00	0.00
	377350.25	128984.00
Closing Stock		
- Finished Goods	128984.00	377350.25
- Traded Goods	11199217.00	0.00
	11328201.00	377350.25
Change in Inventories	(10950850.75)	(248366.25)
D. <u>Employees Benefit Expenses</u>		
Salary & Wages & Labour Charges	2584161.00	2110475.65
Staff welfare expenses	47534.00	18879.00
	2631695.00	2129354.65
E. <u>Finance Cost</u>		
Interest Expenses	9784.00	0.00
	9784.00	0.00
F. <u>Other Expenses</u>		
a) Consumption of Stores & Spares	74753.00	0.00
b) Power & Fuel	379645.00	1107200.00
c) Rent Paid	776326.00	1860266.00
d) Repair & Maintenance		
Plant & Machinery	143955.00	700.00
Others	36070.00	0.00
e) Insurance	0.00	188520.42
f) Rates & Taxes (excluding Income Tax)	370928.00	7346.00
g) Miscellaneous Expenses	1992995.50	1023633.45
h) <u>Payment to Auditor</u>		
For Statutory Audit	30000.00	30000.00
For Tax Audit	10000.00	10000.00
i) Preliminary Expenses W/off.	30000.00	30000.00
k) Legal & Professional Charges	922294.00	421995.00
	4766966.50	4679660.87

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS ON THAT DATE.**NOTES - 7**

Accounting Policies & Notes to Accounts

1. Significant Accounting Policies:

i) These accountants 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 values 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. We have recorded all known liabilities in the financial statements. The company has not received any intimation from 'suppliers' regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under this Act have not been given.

3. The break up of deferred tax assets and deferred tax liabilities are as given below:

Deferred Tax Assets/ Liability (Not provided)	<u>31.03.2012</u>	<u>31.03.2011</u>
Differences in Depreciation and other differences in block of Fixed Assets as per tax books and financial books	₹ 1,12,073.00 (liability)	₹ 71957.00 (asset)

4. Estimated amount of contracts remaining To be executed on capital account not provided for

— —

KALPENA PLASTIKS LIMITED

5. In accordance with Accounting Standard (AS-20) on 'Earning Per Share' (EPS) computation of basic and diluted earning per share is as under: (Amount in ₹)

	<u>2011-12</u>	<u>2010-11</u>
Net profit for basic earnings per share as per Profit and Loss Account	(697915.04)	992731.15
i) Adjustment for the purpose of diluted earnings per share Exchange gain on realignment of ZCCB and Conversion rate difference		
Less: Tax effect	—	268300.00
Net Profit for diluted earnings per share	(697915.04)	724431.15
ii) Weighted Average number of Equity		
iii) Shares for calculation of basic and diluted earning per share (Face Value of Rs. 10/- per share)		
(a) Basic earnings per share	5528535	5528535
(b) Diluted earnings per share	5528535	5528535
iv) Earning per Share		
a) Basic	(0.13)	0.13
b) Diluted	(0.13)	0.13

6. 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:
- a) KALPENA INDUSTRIES LIMITED.
 - b) TARA HOLDINGS PRIVATE LIMITED
- 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
 - e) Mr. Deo Kishan Kalwani, Director

KALPENA PLASTIKS LIMITED

(Amount in ₹)

iv) Transaction & out standing Balance	<u>2011-12</u>	<u>2010-11</u>
a) Transactions		
Loan From Director	—	65000.00
Rent paid to Kalpena Industries Limited	12000.00	—
Purchases from Kalpena Industries Limited	46,59,94,823.75	—
Generator Hire Charges paid to Kalpena Industries Limited	1,40,000.00	56000.00
Sales to Tara Holdings Private limited	25,68,57,638.00	—
b) Out Standing Balances as on 31.03.2012		
Kalpena Industries Limited	13,99,62,495.00Cr.	1,44,80,155.00Cr.
Tara Holdings Private limited	11,26,73,050.00Dr.	43,90,035.00Dr.

7) Production, Sale and Closing Stock of goods manufactured

	Unit Qty.	Openig Stock	Production	Sale	Closing Stock
Cosmetic Jewellery	Pcs.	140200	—	—	140200
		(140200)	—	—	(140200)
	Value in ₹	128984	—	—	128984
		(128984)	—	—	(128984)
Hawaai Chappal	Pairs	—	—	—	—
		—	(764850)	(764850)	—
	Value in ₹	—	—	—	—
		—	—	(32833770)	—
Plastic Colour Granuels	MT	—	556.065	556.065	—
		—	(1922.650)	(1922.650)	—
	Value in ₹	—	—	45227570.00	—
		—	—	(140696968.75)	—
Plastic Colour Powder	MT	—	296.750	296.750	—
		—	(21.650)	(21.650)	—
	Value in ₹	—	—	18098925.00	—
		—	—	(1612925.00)	—
PE Compound	MT	—	378.244	378.244	—
		—	(50.000)	(50.000)	—
	Value in ₹	—	—	32545308.00	—
		—	—	(4300000.00)	—
PVC Compound	MT	4.125	1417.203	1421.328	—
		—	(135.350)	(131.225)	—
	Value in ₹	248,366.25	—	91486419.50	—
		—	—	(7901293.00)	—
Colour Master Batch	MT	—	6.745	6.745	—
		—	—	—	—
	Value in ₹	—	—	628893.00	—
		—	—	—	—

KALPENA PLASTIKS LIMITED

8) Value of import on CIF basis	2011-12	2010-2011 (Amount in ₹)
i) Raw Materials	—	—
ii) Expenditure in Foreign Currency (on cash basis)	Nil	Nil

9) Raw Materials, Components, and Spares Consumed

Particulars	2011-12				2010-11	
	Raw Materials & Components	%	Spares	%	Raw Materials & Components	%
Imported at Landed Cost	56172133.75	30.53	Nil	Nil	166157243.00	90.59
Indigenous	127815132.24	69.47	Nil	Nil	17257093.00	9.41
	183987265.99	100			183414336.00	100

10) Traded Goods	Unit	Opening Stock		Purchase		Sales		Closing stock	
		Qty.	value	Qty.	value	Qty.	value	Qty.	value
i) PVC Compound without filler	MT	—	—	600.000	46300000	500.000	39000000	100.000	7716667
ii) Colour master Batch	MT	—	—	1884.100	158776595	1884.100	159332120	—	—
iii) PVC Rigid Compound	MT	—	—	500.000	27250000	436.100	23985500	63.900	3482550
iv) PE Compound	MT	—	—	11.546	1004970	11.546	1005079	—	—
iv) PVC Compound	MT	—	—	5.402	369150	5.402	371300	—	—
Total :		—	—	2984.100	232326595	2820.200	223693999	163.900	11199217

11) Raw Materials Consumed

	Opening Stock		Purchase		Consumed		Closing stock	
	Qty.(MT)	value (₹)	Qty.(MT)	value (₹)	Qty.(MT)	value (₹)	Qty.(MT)	value (₹)
i) PVC Resin	—	—	303.710	15910634	303.710	15910634	—	—
	—	—	(55.000)	(3342823)	(55.000)	(3342823)	—	—
ii) LLDPE / P.P / EVA, etc	(91.000)	(6176405.00)	(1890.850)	(138040828.00)	(1890.850)	(144217233.00)	—	—
iii) Plasticizers	—	—	3.670	330593	3.670	330593	—	—
	—	—	(256.000)	(21940010)	(256.000)	(21940010)	—	—
iv) Ki - Powder	9.000	432,000.00	1436.500	90553400	1445.500	90985400	—	—
	—	—	(140.000)	(5670000)	(131.000)	(5238000)	(9.000)	(432000)
v) Modified LLDPE Compound	15.000	1,215,000.00	368.000	30710000	383.000	31,925,000.00	—	—
	—	—	(70.000)	(6720000)	(55.000)	(5505000)	(15.000)	(1215000)
vi) HDPE	—	—	397.500	27701967.00	276.000	19234632.00	121.500	8467335.00
	—	—	—	—	—	—	—	—
vii) Others	3.747	184476	95.593	9018652	99.040	9,160,881.24	0.300	42,246.76
	(0.440)	(17600.00)	212.525	(3338146.00)	(209.218)	(3171270.00)	(3.747)	(184476.00)
Total :	27.747	1831476.00	2819.573	190665371.75	2725.520	183987265.99	121.800	8509581.76
	(91.440)	(6194005.00)	—	(179051807.00)	(2597.068)	(183414336.00)	—	(1831476.00)

12) 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.

3, Mangoe Lane, 2nd Floor
Kolkata - 700001

For **MALOO & COMPANY**
Chartered Accountants
J.L.Maloo
(Proprietor)
Membership No. 17649

For & on behalf of the Board
J. Tiwari
B. L. Bohara
D. K. Kalwani

Place : Kolkata
Dated : 31st August, 2012

KALPENA PLASTIKS LIMITED

Registered Office: 3, Saheed Nityananda Saha Sarani, 2nd Floor, Kolkata – 700 001

ATTENDANCE SLIP

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

I hereby record my presence at the 23rd Annual General Meeting of the company to be held at 3, Saheed Nityananda Saha Sarani, Kolkata - 700 001, on Saturday, the 29th day of September, 2012 at 10:00 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, 2nd Floor, 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 23rd Annual general meeting of the company to be held on Saturday, the
29th day of September, 2012, at 10:00 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 2012.

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