

ANNUAL REPORT 2011 - 2012

What you dream...



*We compound
into reality.*



Kalpena Industries Limited

An ISO 9001 Company

Inspiring Us



Late Sh. D.C. Surana
(1934-2012)

We live by your values.
Honesty, Generosity, Compassion and Selflessness.

PRODUCT RANGE

PVC Compounds

- Insulation
- Sheathing

PE Compounds

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

Filled Compound & Master Batches

- Calcium Carbonated / Talc filled in PE and PP

Colour and Speciality Master Batches-

UV, Antioxidant Processing Aid Optical Brightner, Lubricant

Footware Compound

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

Pipe Compounds

- PEX
- PVC
- PPR

Engineering Plastics

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

We service customer in :-

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





Corporate Information

Board of Directors

(As on 24th August, 2012)

Chairman and Managing Director

Mr. Narrindra Suranna

Whole-Time-Directors

Mr. Rajesh Kumar Kothari

Mr. Indranil Dasgupta

Non- Executive Directors

Mr. Nirmalendu Guha

Dr. Rupak Dasgupta

Mr. Nilay Guha

Senior President

Mr. Jitendra Tiwari

Chief Financial Officer

Mr. I. C. Dakalia

Company Secretary

Mr. A.B.Chakrabartty

Auditors

M/s D. C. Dharewa & Co.

Chartered Accountants

Bankers

Dena bank

State Bank of India

Standard Chartered Bank

HSBC Bank

HDFC Bank

INDUSIND BANK

Plant Location

Dullagargh, Santragachi (W.B.)

Bhasa, Diamond Harbour Road (W.B.)

Falta SEZ, (W.B.)

Daman (Union Territory)

Dadra I & II (Union Territory)

Biwadi, Delhi

Registered Office

2B, Pretoria Street,

Kolkata – 700 071

Tel: 91 – 33- 2282 3744 / 3745

Fax: 91 – 33 – 2282 3739

E mail : kolkata@kalpena.co.in

www.kapenagroup.com

E-Mail : rta@cbmsl.com

Registrar & Share Transfer Agent

M/s. C B Management Services (P) Ltd.

(Unit Kalpena Industries Ltd),

P-22, Bondel Road,

Kolkata – 700 019

Tel: 91 – 33 – 2280 6692/93/94/2486/4011 6700

Fax : 033 2287 0263

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Board of Directors

Narrindra Suranna

Mr. Narrindra Suranna, aged around 50 years, is a B.Com (Hons.), and L.L.B from Calcutta University. He also has done his MBA from Harvard University (correspondence course). Currently, he is holding the position of Chairman & Managing Director of the Company. He has got wide experience in Plastic Industry. Due to his able leadership the Company has reached its present height.

Nirmalendu Guha

Mr. N.Guha, aged about 79 years, an engineer by profession, has been associated with the Company in the capacity of Independent Director and Chairman of Audit Committee of the Board. Mr. Guha has received his engineering degree from India and UK. His qualification include M.Tech (P.Eng & Mgt.), C.Eng, FIE (India), FI Plant E (UK), Hon FIPE, MMFI. Mr. Guha has wide experience in the Corporate world and has held distinguished positions in prestigious companies. He has remained Vice – Chairman and Managing Director of IFB Agro Industries and Chief Executive – MD and CM of Tea Trading Corporation of India.

Rupak Dasgupta

Dr. R. Dasgupta, aged about 68 years, has been associated with the Company since 2003 as an Independent Director. He has done his M.Sc. form Jadavpur University and PhD from Calcutta University. He has held senior positions in Plastic and Polymer Industries and possesses more than 39 years of experience in the corporate arena.

Rajesh Kumar Kothari

Mr. Kothari, aged about 48 years, a Graduate (B.Com) from Rajasthan University, Ajmer, has more than 25 years of experience in the areas of marketing, after sale service and market research. He started his career in the year 1985 at Kanoria Chemicals & Industries Limited. He has been associated with Kapena since 1997.

Indranil Dasgupta

Mr. Indranil Dasgupta, aged about 44 Years, is a Graduate and has also done Bachelor of Engineering in Chemical Engineering from Jadavpur University, Kolkata. He has over 20years of experience in Corporate Finance, Advisory Services and General Management. He started his career as an Executive Trainee in Hindustan Lever Ltd in the year 1991 -92. In the year 2006 he worked as Managing Director (Indian Operation) in IDIADA Automotive Technology S.A, of Spain. He is also associated with SREI Group as an Independent Director

Nilay Guha

Mr. Nilay Guha, aged about 48 Years, is a MBA and presently working as a Managing Director with Markem-Imaje Australia Pty Ltd. He has over 20 years of Experience in Sales and Marketing. He started his career in ICI India Limited in the year 1992 -96.

Chairman's Message



Dear Shareholders,

Warm greetings to you all;

It gives me immense pleasure to welcome you all to the 27th Annual General Meeting of your Company.

It is with great sadness I share with you the news of the sudden demise of Shri D.C.Surana, the Chairman of your Company, on 14th January, 2012. Late Shri D.C.Surana was the founder of Kalpena Industries Limited. His tireless contribution and commitment to your Company will be cherished for years to come. Let us all pray to God for resting of the departed soul in eternal peace.

Now coming over to the performance of your Company, It is a privileged event for me to report a very satisfying journey of your Company for the fiscal year 2011-12. I am glad to take this opportunity to share with you the inspired endeavours of your Company.

The fiscal year 2011-12 was the year of challenges with the fear of recession, volatility in exchange rates and constant fluctuations in the prices of raw material. The market had to face tough competition from national and regional players resulting in the manufacturers facing steep rise in the cost of production.

The products of your Company find application mainly in Cable industries, Packaging industries and Footwear industries. These industries had done fairly well in 2011-12 and, consequently, it positively impacted the top line of your Company. However, the growth prospects for 2012-13 remain muted with growth petering out in the Euro area and moderating in the emerging markets. A much better than expected recovery is shaping up in the US. The baseline scenario suggests that global growth may continue to be low in 2012.

However, your Company continues to march ahead in its vision to be the leading manufacturer of Polymer compounds in the country. You will be glad to know that your Company is in the process of setting up a Flexible Packaging Project at Dankuni (West Bengal). This is a step towards diversification. The total project cost is estimated at Rs.120 crore. The facilities are expected to be commissioned progressively in between January and December 2013.

In its drive towards the strategic expansions, your Company is in the process of commissioning a new production unit at Surangi, Silvassa, with capacity of handling 200,000 TPA of its products. This unit is spread

over an area of approximately 56000 square metres and is expected to having FSI available to the extent of 500,000 square metres of construction. Once the project is completed, the production capacity at Bhiwadi, Daman and Silvassa will be shifted to the new unit. The full capacity utilization is expected between December 2013 and June 2014. The new unit will produce various grades of Compounds which include XLPE, HFFR, Filled PP for furniture & appliances, Filled PE Compounds for antifab used for Woven Sack, White & Black Master Batches, Rigid and Flexible PVC Compound used for Cable insulation, Footwear & Pipe jointing and other value added compositions like Zero Halogen Fire Retardant Compound and Engineering Plastics. Your Company also has more expansion projects in pipeline for catering to the untapped regions to enlarge geographic footprint in various parts of the country.

Today, your Company has one of the strongest operating matrix in the Plastic industry in India. With its cost competitiveness, quality products, a robust marketing distribution system and extensive network, your Company has reinforced its formidable brand position. Your Company has taken well timed and adequate steps in the area of its financials to ensure healthy leveraging and availability of adequate financial resources to meet its ever growing aspirations.

I am very happy to announce that your Directors have recommended a dividend of 22% for 2011-12 on paid up capital. This is at the same level of the Dividend paid by your Company in the previous year.

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

With Best Regards,

A handwritten signature in dark ink, appearing to read 'Narindra Suranna'.

Narindra Suranna

Chairman & Managing Director

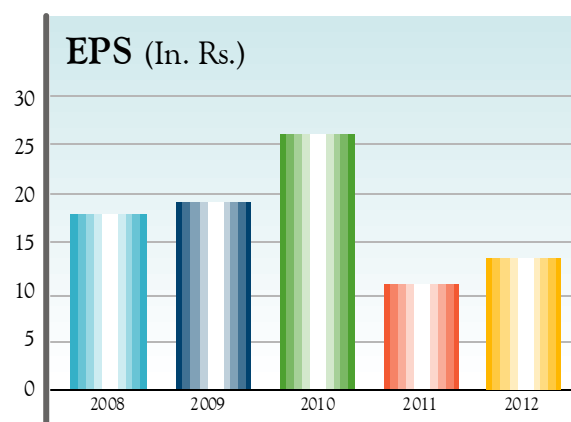
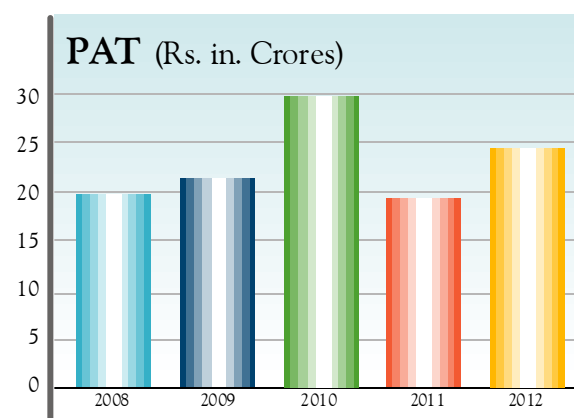
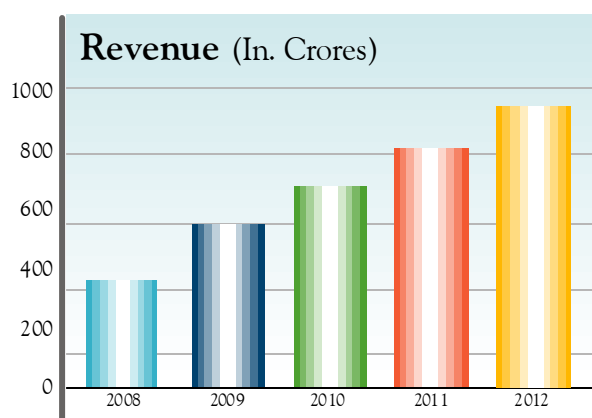
Date 24th August, 2012

Vision

*Vision without action is just a dream;
Action without vision merely passes the time;
Vision with action can change the world.*

Five Years at a Glance

Rs. In Crores:	2008	2009	2010	2011	2012
Net Revenue	454.48	604.11	724.41	847.58	913.23
PAT	20.87	21.85	29.90	19.13	24.24
EPS (Rs.)	18.06	18.91	25.88	11.71	12.99
Net Worth	52.43	71.58	108.04	178.15	197.58
Dividend (%)	20%	20%	22%	22%	22%



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 27th (Twenty-Seventh) Annual General Meeting of the Members of KALPENA INDUSTRIES LIMITED will be held at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071 on Friday, the 28th day of September, 2012, at 02.30 P.M. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Statement of Profit & Loss Account for the year ended as on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2012.
3. To appoint a Director in place of Dr. R.Dasgupta, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors to fix their remuneration.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** in accordance with the provisions of Section 255, 256 and 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or reenactment thereof, Mr. Nilay Guha, who was co-opted as an Additional Director of the Company under provisions of Section 260 of the Companies Act, 1956 and Article 103 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation.”

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

“**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 310 and other applicable provisions if any, of the Companies Act, 1956 (the Act), read with Schedule XIII to the Act, including any statutory modification(s) or reenactment thereof, for the time being in force, and all other applicable guidelines relating to managerial remuneration issued by the Ministry of Corporate Affairs, from time to time, or any other law and subject to such other approvals, as may be necessary, and as are agreed to by the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf), and as per the provisions of Articles of Association of the Company, approval of the members be and is hereby accorded to the reappointment of Mr. Narrindra Suranna as Managing Director of the Company, for a further period of 5 (Five) years with effect from 01st August, 2012, on the terms and conditions, including the remuneration and perquisites payable to him as Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the Draft Agreement between the Company and the said Mr. Narrindra Suranna produced at this meeting and, for the purpose of identification, initialed by the Chairman hereof.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee thereof and any person authorized by the Board in this behalf) shall, in accordance with the statutory limits/ approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend/change the terms and conditions of the appointment and remuneration, from time to time, as may be agreed to by the Board and Mr. Narrindra Suranna.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

"RESOLVED THAT in accordance with the provisions of Section 198,269,309 and 310 and other applicable provisions if any, of the Companies Act, 1956 (the Act), read with Schedule XIII to the Act, including any statutory modification(s) or reenactment thereof, for the time being in force, and all other applicable guidelines relating to managerial remuneration issued by the Ministry of Corporate Affairs, from time to time, or any other law and subject to such other approvals, as may be necessary, and as are agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee thereof and any person authorized by the Board in this behalf), and as per the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded to the appointment of Mr. Indranil Dasgupta as Whole-Time-Director of the Company, for a period of 3 (Three) years with effect from 11th February, 2012, upon the terms and conditions as are set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof and any person authorized by the Board in this behalf) shall, in accordance with the statutory limits/ approvals as may be applicable for the time being in force, be at full liberty to revise/alter/modify/amend/change the terms and conditions of the appointment and remuneration, from time to time, as may be agreed to by the Board and Mr. Indranil Dasgupta."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Registered Office:

*2B, Pretoria Street,
Kolkata-700071*

Date: 24th August, 2012

Place: Kolkata

*A.B.Chakrabartty
Company Secretary*

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 Friday, 21st September, 2012 to Friday, 28th September, 2012 (both days inclusive).
- 4) The dividend, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be credited / dispatched between 3rd October, 2012 and 23rd October, 2012 to those members or to their mandates :-
 - a. whose names appear as Beneficial Owners as at the end of the business hours on 20th September, 2012 in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), in respect of the shares held in electronic form; and
 - b. whose names appear as Members in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the company / its Registrars & Share Transfer Agents on or before 20th September, 2012.
- 5) Securities and Exchange Board of India has made it mandatory for all companies to use bank account details furnished by the depositories for depositing dividend through National Clearing Service (NECS) to investors wherever NECS and bank details are available. In absence of NECS facilities, the company will print the bank account details, if available, on the payment instrument for distribution of dividend.
- 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 details to their respective Depository Participant(s) (DPs).
- 8) Dividend for the financial year ended 31st March, 2005, which remains unpaid or unclaimed, will be due for transfer to Investors Education and Protection Fund of the Central Government at the beginning of next year, pursuant to the provisions of Section 205C of the Companies Act, 1956. Members, who have not yet encashed their dividend warrants for the financial year 31st March, 2005 or any subsequent financial years, are requested to lodge their claims with the Company's Registrar & Share Transfer Agents without delay. Members are advised that no claims shall lie against the said fund or the company for the amounts of dividends so transferred to the said fund.
- 9) Members can avail of the facility of nomination in respect of the Equity Shares held by them in physical form pursuant to the provisions of Section 109A of the companies Act, 1956.
Members holding shares in electronic form may obtain the Nomination forms from their respective Depository Participants.
- 10) For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by the Attendance Slip, which is annexed to the proxy form. Members are requested to affix their signature at the place provided on the Attendance slip and hand it over at the entrance.
- 11) 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.
- 12) 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