



Kalpena Industries Limited

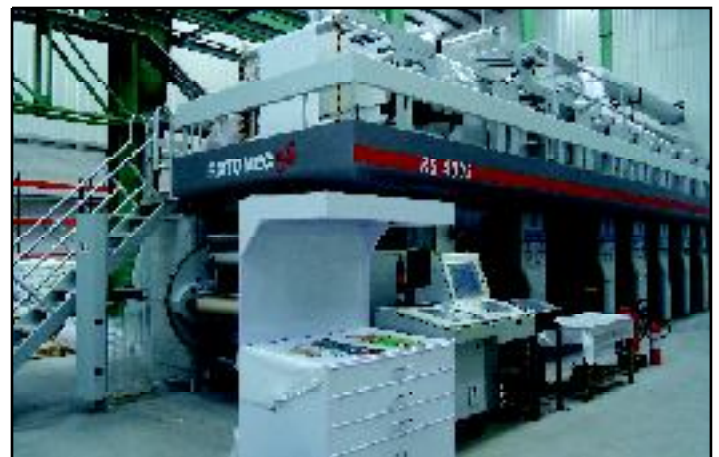
An ISO 9001 Company

What you dream...

We compound into reality.



ANNUAL REPORT
2013 - 2014



Corporate Information

Board of Directors

(As on 13th August, 2014)

Chairman and Managing Director

Mr. Narrindra Suranna

Whole-Time-Directors

Mr. Rajesh Kumar Kothari

Non- Executive Directors

Mr. Nirmalendu Guha

Mr. Nilay Guha

Senior President

Mr. Jitendra Tiwari

Chief Financial Officer

Mr. I. C. Dakalia

Company Secretary

Mr. A.B.Chakrabartty

Plant Location

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

Registered Office

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

Auditors

Statutory Auditors

M/s B. Mukherjee & Co.
Chartered Accountants

Internal Auditors

M/s D K D & Associates
Chartered Accountants

Cost Auditors

M/s D. Sabyasachi & Co.
Cost Accountants

Bankers

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

Registrar & Share Transfer Agent

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

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Board of Directors

Narrindra Suranna

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

Nirmalendu Guha

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

Rajesh Kumar Kothari

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

Nilay Guha

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



Chairman's Message

Dear Shareholders,,

Warm greetings to you all;

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

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

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

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

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

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

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

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

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

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

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

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

With Best Regards,

Narindra Suranna

Chairman & Managing Director

Date 30th May, 2014

Kolkata

Vision

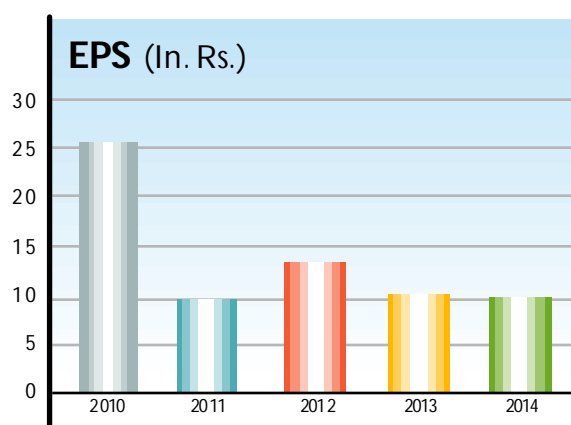
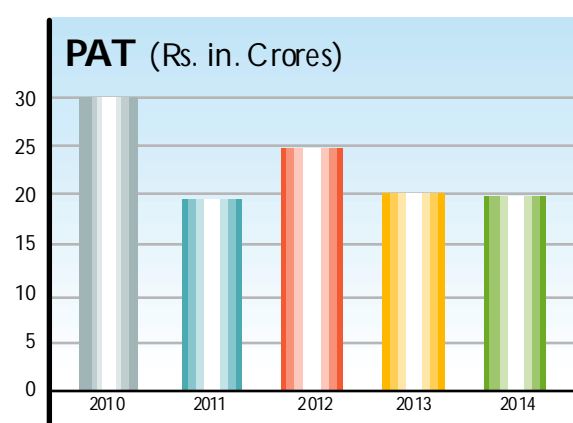
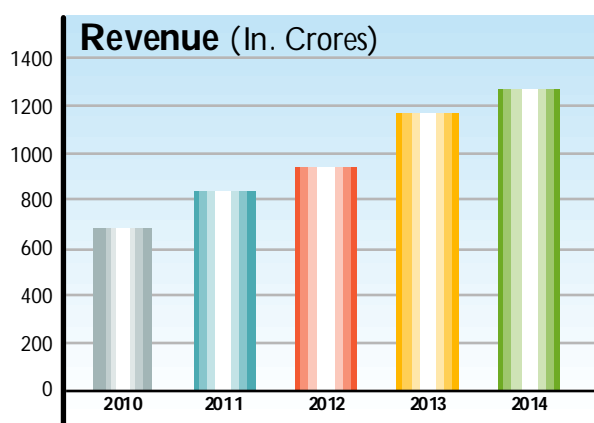
Vision without action is just a dream;

Action without vision merely passes the time;

Vision with action can change the world.

Five Years at a Glance

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



NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Borrowing Powers of the Company:

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

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

Creation of Charge on the assets of the Company:

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

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

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

By Order of the Board

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

A.B.Chakrabartty
Company Secretary

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