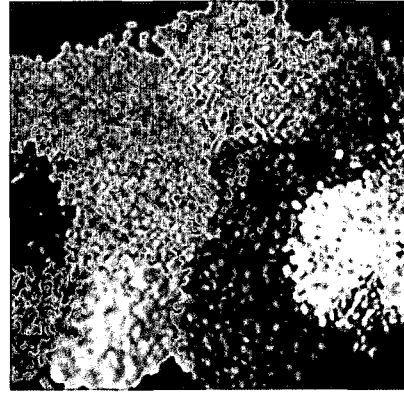
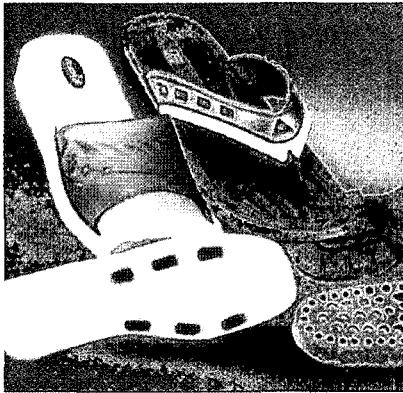




Kalpena Industries Limited

*What you dream we **compound** into reality*



24th Annual Report 2008-2009

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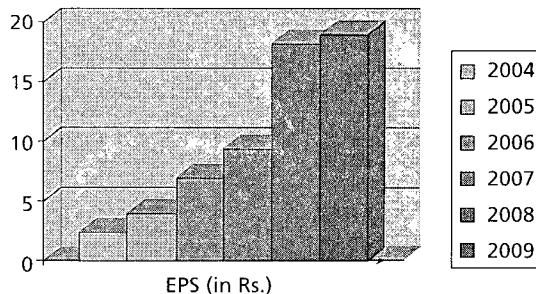
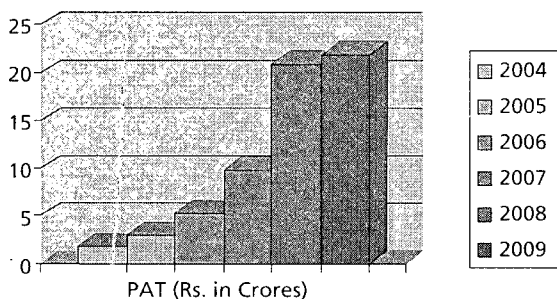
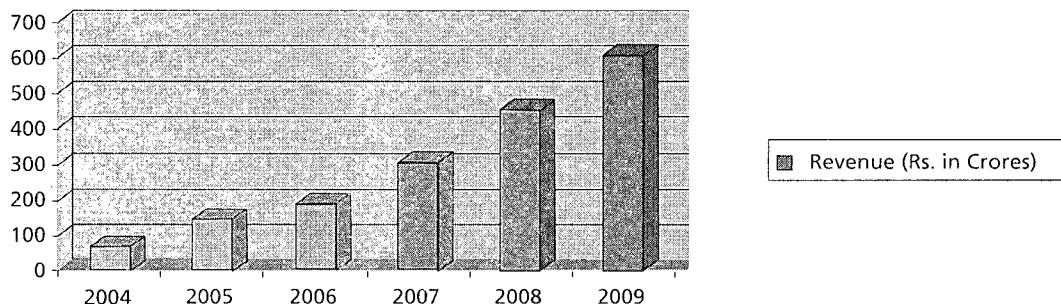
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OUR VISION

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:	2004	2005	2006	2007	2008	2009
Net Revenue	67.32	147.71	188.46	305.56	451.60	602.96
PAT	1.78	2.92	5.15	9.80	20.87	21.85
EPS (Rs.)	2.35	3.90	6.80	9.27	18.06	18.91



Our Products

Cable Compounds

Moisture curable Saline Grafted XLPE
 Peroxide XLPE
 Semicon for both types of XLPE
 PE Compound for Ariel Bunched Cable
 Fire Retardant Compounds based on PVC, HFFR, Zero Halogen
 Black Jacketing Compounds for telecom

Master Batches & Specialty Compounds

Wide range based on PE and PP - Application includes Raffia Tape, films, moulded and extruded plastic products.

Pipe Compounds

Wide range based on PVC, PP-R and moisture curable XLPE - Application include irrigation pipes, hot and cold water distribution pipes.

Footwear Compounds

Wide range based on PVC, TPR, EVA for foamed / compact shoe – soles and uppers.

Corporate Information

Chairman

Mr. D. C. Surana

Vice-chairman cum Managing Director

Mr. N. S. Surana

Non-Executive Director

Mr. Nirmalendu Guha

Dr. Premomoy Ghosh

Dr. Rupak Dasgupta

Senior President

Mr. Jitendra Tiwari

Mr. R. K. Kothari

Chief Financial Officer

Mr. I. C. Dakalia

Auditors

M/s. D. C. Dharewa & Co.

Chartered Accountants

Company Secretary

Mr. M. K. Jain

Bankers

Dena Bank

State Bank of India

Standard Chartered Bank

HSBC Bank

Plant Location

Bhasa, Diamond Harbour Road (W.B)

Daman (Union Territory)

Dadra I & II (Union Territory)

Registrar & Share Transfer Agent

S.K.Computers

(Unit Kalpena Industries Ltd.),

34/1A, Sudhir Chatterjee Street

Kolkata – 700 006

Tel: 91 – 33- 2219- 4815 / 6797

Registered Office

2B-Pretoria Street, Kolkata – 700 071.

Tel: 91 – 33- 2282 3744 / 3745 Fax: 91 – 33 – 2282 3739

www.kapena-group.com

The Board

Mr. D.C.Surana

Mr. D.C.Surana aged about 74 Years, has rich profile of experience in the field of plastic industry. He has got total 32 years of experience out of which he has been closely associated with the plastic industry from 1985. He has contributed his life long experience to promote this Company. He is the Chairman of the Company.

Mr. N.S.Surana

Mr. N.S.Surana, aged around 47 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 Managing Director cum Vice Chairman of the Company. He has been associated with the Company since inception. He has got start up experience in various projects, particularly in Plastic Industry. Due to his able leadership the Company has reached its present height.

Mr. N. Guha

Mr. N.Guha, aged about 76 years, an engineer by profession, has been associated with the Company in the capacity of Independent Director. 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.

Dr. P.Ghosh

Dr. Premomoy Ghosh is aged about 72 years, is associated with the Company since 1993. He has been an outstanding scholar and done his B.Sc.(Hons), M.Sc.(Tech) and Phd from Calcutta University. He owns a commendable position in the field of plastic and polymers producing industries and possesses 37 years of experience in the corporate world. He is an Independent Non Executive Director of the Company. .

Dr. R. Dasgupta

Dr. R. Dasgupta, aged about 65 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 37 years of experience in the corporate arena.

Notice

NOTICE IS HEREBY GIVEN that the 24th (Twenty-Forth) Annual General Meeting of the Members of KALPENA INDUSTRIES LIMITED will be held at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071 on Tuesday, the 15th day of September, 2009, at 10.00 A.M. to transact the following Businesses.:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date together with the Directors' and the Auditors' Report thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2009.
3. To appoint a director in place of Shri Premomoy Ghosh, who retires by rotation and being eligible offers himself for re-appointment.
4. To Appoint M/s. D. C. Dharewa & Co., Chartered Accountants, Retiring Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

AS 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 the ordinary resolutions under sections 94 and 16 and other applicable provisions, if any, of the Companies Act, 1956 for increasing the authorized share capital of the Company from Rs. 12,00,00,000/- to Rs. 15,00,00,000/- and amending Clause-V of the Memorandum of Association of the company, passed at the Extra-Ordinary General Meeting of the Company, held on the 26th day of April 2009, has not been acted upon by the Company in view of disputes between the Company on the one hand and Banyan Tree Growth Capital L.L.C. and Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V., on the other hand and, accordingly, it shall be deemed that such ordinary resolution was never passed by the shareholders of the Company and in any event such resolution shall stand cancelled and set aside with effect from 26th April, 2009, itself and the Authorized Share Capital of the Company shall continue to remain Rs. 12,00,00,000 /- (Rupees twelve Crores) divided into 1,20,00,000 Equity Shares of Rs. 10/- each and Clause V of the Memorandum of Association of the Company shall continue to read as follows :-

Clause V

The Authorized Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crores) only divided into 1,20,00,000 (One Crore Twenty Lacs only) Equity Shares of Rs. 10/- (Rupees Ten) each with the rights, privileges and conditions attaching thereto as are provided by regulations of the Company for the time being, 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.

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

RESOLVED THAT the special resolution under section 31 and other applicable provisions of the Companies Act, 1956 for amendment of the Articles of Association of the Company, passed at the Extra Ordinary General Meeting of the Company held on the 26th day of April, 2009, has not been acted upon by the Company in view of disputes between the Company on the one hand and Banyan Tree Growth Capital L.L.C. and Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V., on the other hand and, accordingly, it shall be deemed that such special resolution was never passed by the shareholders of the Company and in any event such resolution shall stand cancelled and set aside with effect from 26th April, 2009, itself and the Articles of Association of the Company as it stood immediately prior to passing the said special resolution shall continue to remain the same.

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

RESOLVED THAT the special resolution under section 81(1A) and other applicable provisions of the Companies Act, 1956 for issue and allotment of 9,50,000 Fully (Compulsory) Convertible Debentures (hereinafter referred to as "CCDs") to M/s. Banyan Tree Growth Capital L.L.C. and Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V., passed at the Extra Ordinary General Meeting of the Company held on the 26th day of April, 2009, has not been acted upon by the Company in view of disputes between the Company on the one hand and Banyan Tree Growth Capital L.L.C. and Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V. on the other hand and, accordingly, it shall be deemed that such special resolution was never passed by the shareholders of the Company and in any event such resolution shall stand cancelled and set a side with effect from 26th April, 2009, itself and the company shall not issue or allot any CCDs to the said two investors.

Registered Office:
2B, Pretoria Street,
Kolkata-700 071

By Order of the Board of Directors

Date: 05th Day of August, 2009
Place: Kolkata

Manoj Kumar Jain
Company Secretary

Notes

- 1) A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote 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 than forty-eight hours before the commencement of meeting.
- 2) Explanatory Statements pursuant to Section 173 (2) of The Companies Act, 1956 relating to the Special Business to be transacted at this AGM is annexed hereto.
- 3) The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, 08th September, 2009 to Tuesday, 15th September, 2009 (both days inclusive).
- 4) The dividend, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid, subject to the provisions of section 206A of the Companies Act, 1956, within specified period of 30 days from the date of approval at the ensuing AGM, to those members or their mandates whose name stand registered in the Company's Register of Members :-
 - a) as Beneficial Owners, as at the end of business hours on 07th September, 2009, as per list to be furnished by Depositories with respect to shares held in electronic form.
 - b) as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form, lodged with the Company or the Share Transfer Agent, on or before 07th September, 2009.
- 5) The Dividend shall be distributed through ECS/Warrants or direct credit to the Members' Bank Account. Members are requested to furnish details of ECS Mandate, as per details attached at the end of the Annual Report 2008-2009.
- 6) Shareholders are requested to bring their copy of the Annual Report 2008-09 at the venue of the Meeting.
- 7) Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the AGM.
- 8) Members, holding shares in physical mode are requested to notify the change in their address / mandate/ bank account to M/s. S.K.Computers, 34/1A, Sudhir Chatterjee Street, Kolkata – 700 006 , the Registrar & Share Transfer Agent of the Company.
- 9) Members, holding Shares in Demat mode are requested to notify the change in their address / bank account to their respective Depository Participant(s) (Dps).
- 10) Re-appointment of Director: Pursuant to the provisions of Articles of Association, Dr. Premomoy Ghosh, Director retires by rotation and being eligible, offer himself for re-appointment. The brief resume of the director and other information as per clause 49 of the Listing Agreement with the Stock Exchanges is provided elsewhere in the notice.

REQUEST TO MEMBERS

Members desirous of getting Information / Clarification on the Accounts and Operations of the company or intending to raise any query are requested to forward the same at least 10 days in advance of the meeting to the Company Secretary at the office address so as the same may be attended appropriately.

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

Item No. 5

For meeting long term financial requirement for expansion and renovation, the Board of directors of the Company contemplated to issue and allot 9,50,000 Compulsory Convertible Debentures (CCDs) to Banyan Tree Growth Capital L.L.C. and Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V. (hereinafter collectively referred to as "the said two Investors") and entered into appropriate agreement with the said two investors and in that view of the matter and pursuant to recommendation of the board, the shareholders of the company at the Extra ordinary General Meeting (EGM) of the company held on the 26th day of April, 2009, passed resolutions for Increasing the authorized share capital of the company from Rs. 12,00,00,000/- to Rs. 15,00,00,000/- and amending the Capital clause (Clause V), of the Memorandum of Association , so as to enable the Board of Directors of the Company to issue and allot CCDs to the said two Investors.

Immediately after passing of the said resolution, certain disputes and differences arose between the Company on the one hand and the said two investors on the other hand and as a result the Company did not take any step for implementation of the resolutions passed aforesaid EGM and did not issue and allot any CCDs to the said two investors and initiated proceedings before the Hon'ble Calcutta High Court which was numbered A. P. no. 309 of 2009 for protection of its rights and interests.

On 8th July, 2009, the disputes between the Company and the said two Investors were settled and thereafter on 13th July, 2009, the Hon'ble Calcutta High Court disposed of the said proceeding by passing an order on the basis of the settlement entered into by and between the Company and the said two Investors.

Under such settlement and/or consent order, passed by the Hon,ble Calcutta High Court, the Company has been granted liberty to pass appropriate resolutions at the meeting of its shareholders for the purpose of reversing and/or recalling the resolution passed at the said EGM, subsequent to payment of the entire claim of the said two Investors under the settlement.

The Company has paid the entire claim of the said two Investors under the settlement and the said two Investors have no claim whatsoever against the Company and the Company is at liberty to pass appropriate resolutions for reversing and/or recalling the resolutions passed at the said EGM.

Since the Company has neither taken any step under the said resolution passed at the said EGM and has neither issued nor allotted any CCDs to the said two Investors, it has become necessary for the Company to formally reverse and/or recall the resolutions passed at the said EGM held on 26th April, 2009. The directors therefore recommend the resolution specified as Item No 5 of the notice convening this AGM, for your consideration and approval.

None of the directors of your Company is, in any way, concerned or interested in the said resolution.

Item No. 6

For meeting long term financial requirement for expansion and renovation, the Board of directors of the Company contemplated to issue and allot 9,50,000 Compulsory Convertible Debentures (CCDs) to Banyan Tree Growth Capital L.L.C. and Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V. (hereinafter collectively referred to as "the said two Investors") and entered into appropriate agreement with the said two investors and in that view of the matter and pursuant to recommendation of the board, the shareholders of the company at the Extra ordinary General Meeting (EGM) of the company held on the 26th day of April, 2009, passed a resolution for amendment in the Articles of Association of the Company in terms of the agreements entered into with the said two investors, so as to enable the Board of Directors of the Company to issue and allot CCDs to the said two Investors.

Immediately after passing of the said resolution, certain disputes and differences arose between the Company on the one hand and the said two investors on the other hand and as a result the Company did not take any step for implementation of the resolutions passed aforesaid EGM and did not issue and allot any CCDs to the said two investors and initiated proceedings before the Hon'ble Calcutta High Court which was numbered A. P. no. 309 of 2009 for protection of its rights and interests.

On 8th July, 2009, the disputes between the Company and the said two Investors were settled and thereafter on 13th July, 2009, the Hon'ble Calcutta High Court disposed of the said proceeding by passing an order on the basis of the settlement entered into by and between the Company and the said two Investors.

Under such settlement and/or consent order, passed by the Hon'ble Calcutta High Court, the Company has been granted liberty to pass appropriate resolutions at the meeting of its shareholders for the purpose of reversing and/or recalling the resolution passed at the said EGM, subsequent to payment of the entire claim of the said two Investors under the settlement.

The Company has paid the entire claim of the said two Investors under the settlement and the said two Investors have no claim whatsoever against the Company and the Company is at liberty to pass appropriate resolution for reversing and/or recalling the resolutions passed at the said EGM.

Since the Company has neither taken any step under the said resolution passed at the said EGM and has neither issued nor allotted any CCDs to the said two Investors, it has become necessary for the Company to formally reverse and/or recall the resolution passed at the said EGM held on 26th April, 2009. The directors therefore recommend the resolution specified as Item No 6 of the notice convening this AGM, for your consideration and approval.

None of the directors of your Company is, in any way, concerned or interested in the said resolution.

Item No. 7

For meeting long term financial requirement for expansion and renovation, the Board of directors of the Company contemplated to issue and allot 9,50,000 Compulsory Convertible Debentures (CCDs) to Banyan Tree Growth Capital L.L.C. and Nederlandse Financierings Maatschappij Voor Ontwikkelingslanden N.V. (hereinafter collectively referred to as "the said two Investors") and entered into appropriate agreement with the said two investors and in that view of the matter and pursuant to recommendation of the board, the shareholders of the company at the Extra ordinary General Meeting (EGM) of the company held on the 26th day of April, 2009, passed a resolution for issue and allotment of 9,50,000 Compulsory Convertible Debentures (CCDs) convertible into equity shares, to the said two investors on preferential basis.

Immediately after passing of the said resolution, certain disputes and differences arose between the Company on the one hand and the said two investors on the other hand and as a result the Company did not take any step for implementation of the resolutions passed aforesaid EGM and did not issue and allot any CCDs to the said two investors and initiated proceedings before the Hon'ble Calcutta High Court which was numbered A. P. no. 309 of 2009 for protection of its rights and interests.

On 8th July, 2009, the disputes between the Company and the said two Investors were settled and thereafter on 13th July, 2009, the Hon'ble Calcutta High Court disposed of the said proceeding by passing an order on the basis of the settlement entered into by and between the Company and the said two Investors.

Under such settlement and/or consent order, passed by the Hon'ble Calcutta High Court, the Company has been granted liberty to pass appropriate resolutions at the meeting of its shareholders for the purpose of reversing and/or recalling the resolution passed at the said EGM subsequent to payment of the entire claim of the said two Investors under the settlement.

The Company has paid the entire claim of the said two Investors under the settlement and the said two Investors have no claim whatsoever against the Company and the Company is at liberty to pass appropriate resolutions for reversing and/or recalling the resolutions passed at the said EGM.

Since the Company has neither taken any step under the said resolution passed at the said EGM and has neither issued nor allotted any CCDs to the said two Investors, it has become necessary for the Company to formally reverse and/or recall the resolution passed at the said EGM, held on 26th April, 2009. The directors therefore recommend the resolution specified as Item No 7 of the notice convening this AGM, for your consideration and approval.

None of the directors of your Company is, in any way, concerned or interested in the said resolution.

Registered Office:
2B, Pretoria Street,
Kolkata-700 071

By Order of the Board of Directors

Date: 05th Day of August, 2009
Place: Kolkata

Manoj Kumar Jain
Company Secretary

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

Name : Dr. Premomoy Ghosh

Age : 72 years

Qualification : B. Sc. (Hons.) M. Sc. (Tech), Phd from Calcutta University

Experience : 37 years of experience in the field of plastic and polymers producing industries.

Position in the Company : Independent Non-Executive Director in the Board and Chairman of Remuneration Committee and Member of Audit Committee.

Chairmanship/Directorship in other Companies : None

Shareholding in Kalpena Industries Ltd. : Nil

Directors' Report

To The Members,
Kalpena Industries Ltd.

Your Directors are pleased to present the 24th Annual report of your Company and the Audited Accounts for the year ended 31st March, 2009.

Financial Performance

(Rs. in Thousand)

Particulars	2008-2009	2007-2008
Net Turnover and Other Income	6041097	4544772
Profit before Depreciation, Interest & Tax	404636	365817
Less : Depreciation	42941	39379
Interest	96283	80882
Profit before Tax	265412	245556
Less : Provision for Tax	46532	35837
Profit After Tax	218880	209719
Less : Prior Period Expenses	365	982
Add : Profit brought forward form previous year	314656	158953
Profit available for appropriation	533171	367690
Appropriation		
Proposed Dividend	23107	23107
Corporate Dividend	3927	3927
Transfer to General Reserve	26000	26000
Surplus carried to Balance Sheet	480137	314656

Overall Performance

Fiscal year 2008 – 2009 was marked by a healthy top line growth. Turnover including other income of your Company has gone up by 32.92 % to Rs. 60411 Lacs in comparison to Rs. 45448 Lacs during the previous year. The Company's Profit after tax is up by 4.37% to Rs. 21889 Lacs in comparison to Rs. 20971 Lacs in the previous year.

Dividend

Your Directors have recommended a dividend of 20% i.e. Rs. 2.00 per equity shares of Rs. 10/- each for the financial year ended March 31st, 2009, which if approved at the ensuing Annual General Meeting, will be paid within the specified period of 30 days from the date of approval, to those members or their mandates whose name stand registered in the Company's Register of Members on 8th September, 2009.

Fixed Deposits

During the year under review, your Company has not accepted any fixed deposit from the Public in terms of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975 and shall not accept any deposits without prior approval of RBI.

Research and Development

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

Directors

Dr. Premomoy Ghosh, Director retires by rotation and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting.

Directors' Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to directors' responsibility statement, it is hereby confirmed;

- that in preparation of the annual accounts, the appropriate accounting standards have been followed;
- that the directors have selected such accounting policies and applied them consistently and made

judgment and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit & loss of the company for the period;

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

Auditors

M/s D.C. Dharewa & Co., Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting. The Company has received letter from the auditor to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

Auditors' Report

The report of the Auditors pertaining to the Accounts in respect of the year ended 31st March, 2009 read with Notes on Accounts are self explanatory and, therefore, do not require any further clarification.

Particulars of Employees

None of the employees employed throughout the year or part of the year, who was in receipt of salary of Rs. 2,00,000/- or more per month or Rs. 24,00,000/- or more per annum, therefore, no details have been provided or required under section 217 (2A) of the Companies Act, 1956 read with the Company (Particulars of Employees) Rules, 1975.

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

Additional Information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required, to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto as Annexure -A and forms part of this Report

Management Discussion and Analysis

A Management Discussion and Analysis Report as required under the listing agreement with the stock exchanges is annexed hereto and marked as Annexure - B.

Corporate Governance

The report on Corporate Governance, as stipulated under Clause 49 of the listing agreement with the Stock Exchange(s), forms part of Annual Report and marked as Annexure - C.

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

Acknowledgement

Your Directors wish to place on record their appreciation of the hard work and devoted services of the employees, staffs and workers at all level.

Your Directors also wish to place on record their deep sense of appreciation for the continued support from the shareholders, suppliers, Government Departments and authorities, bankers, other business associates and its employees.

For and on behalf of the Board

Date: 27th Day of June, 2009
Place : Kolkata

D. C. Surana
Chairman

ANNEXURE 'A'**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 217 (1) (a) of the Companies Act, 1956 read with Companies(Disclosure of Particulars in the report of Directors) Rules,1988 for the year ended 31st March, 2009.****1. CONSERVATION OF ENERGY.****A) ENERGY CONSERVATION MEASURES TAKEN:**

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

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

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

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

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

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

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

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

2. TECHNOLOGY ABSORPTION

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

3. FOREIGN EXCHANGE EARNINGS AND OUTGO.**A) ACTIVITIES RELATING TO EXPORT, INITIATIVES TAKEN TO INCREASE EXPORTS, DEVELOPMENT OF NEW EXPORT MARKETS FOR PRODUCTS AND SERVICES AND EXPORT PLANS:**

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

B) TOTAL FOREIGN EXCHANGE USED AND EARNED

Rs. in Thousands

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Total Foreign Exchange earned	243581.00	1137248.00*
Total Foreign Exchange used	1189735.00	1180460.00

* Includes deemed export of Rs. 85 Crores.

FORM - A

Disclosure of particulars with respect to conservation of energy			
A. Power and Fuel Consumption	Unit	FY 2008-09	FY 2007-08
1. Electricity			
a) Purchased			
Unit	KWH	18,008,290	17,457,952
Total amount	Rs.	62,115,342	54,259,389.57
Rate/Unit	Rs./KWH	3.45	3.11
b) Own Generation (through diesel generator)			
Units	KWH	1,88,335	4,72,994
Total amount	Rs.	3,663,856	5,120,164
Rate/Unit (Average)	Rs./KWH	19.45	10.83
2. Coal		-	-
3. Furnace Oil		-	-
4. Other/Internal Generation		-	-
B. Consumption per Unit of Generation	Unit	FY 2008-09	FY 2007-08
1. PVC, XLPE compounds & Master batches			
Net saleable production	Kgs	88073778	68,279,599
Electricity	KWH/Ton	202.43	257.45
2. Sole and Hawaii Chappals			
Net saleable production	Pairs	7355500	7,040,913
Electricity	KWH/Pair	0.05	0.05

FORM – B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.

RESEARCH AND DEVELOPMENT

a) Specific areas in which R & D is carried out by your company.

- i) Horizontal and vertical expansion of Company's product profile.
- ii) New & Improved Product Development.
- iii) Up gradation of R&D lab, efforts are being made to develop state of the art R&D centre at Daman works to cater to the growing demand for Hi- Tech products.

b) Benefits derived as a result of R & D.

Efficiency and yield improvement, loss reduction and modernization program.

- i) Import Substitution
- ii) Increased Market share for various products.
- iii) Better market penetration of various products.
- iv) Developments of various grades of PVC & XLPE compounds to meet changing market needs.

c) Future Plan of Action.

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

d) Expenditure on R&D.

Rs. in thousands

Particulars	Rs. in thousands	
	FY ended 31st March, 2009	FY ended 31st March, 2008
Capital	403.00	1454.00
Recurring	584.00	822.00
Total R & D Expenditure	987.00	2276.00
As a % percentage of total turnover	0.02	0.05

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION.

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

For and on behalf of the Board

Date: 27th Day of June, 2009
Place : Kolkata

D. C. Surana
Chairman

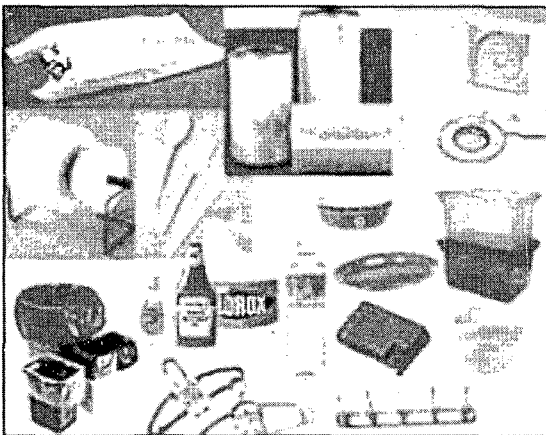
Management Discussion And Analysis Report

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAPP) in India. The Management of Kalpena Industries Limited accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions and reasonably present the company's state of affairs and profits for the year.

The following discussion may include forward looking statements which may involve risks and uncertainties, including but not limited to the risks inherent to company's growth strategy, dependency on certain clients, dependency on availability raw materials and other factors.

Overview

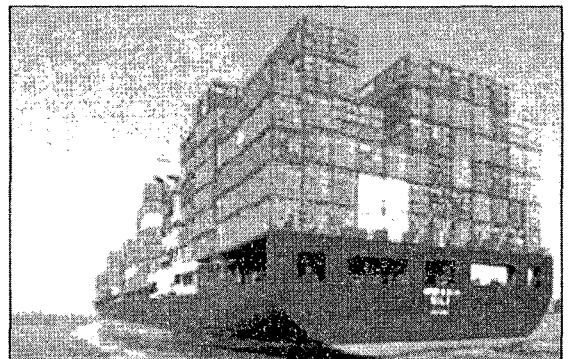
The Indian plastic industry has taken great strides. In the last few decades, the industry has grown to the status of a leading sector in the country with a sizable base. The material is gaining notable importance in different spheres of activity and the per capita consumption is increasing at a fast pace. Continuous advancements and developments in polymer technology, processing machineries, expertise, and cost effective manufacturing is fast replacing the typical materials in different segments with plastics.



On the basis of value added, share of India's plastic products industry is about 0.7% of India's GDP. The export of plastic products also yields about 1% of the country's exports. The sector has a large presence of small

scale companies in the industry, which account for more than 50% turnover of the industry and provides employment to a large extent in the country. Currently, the Indian plastic industry is highly fragmented with an estimate of around 50,000 firms and with a turn over in excess of Rs. 80, 000 Crore.

The immense potential of Indian plastic industry has motivated Indian manufacturers to acquire technical expertise, achieve superior quality standards and build capacities in different facets of the booming plastic industry. Substantial developments in the plastic machinery sector coupled with matching developments in the petrochemical sector, both of which support the plastic processing industry, have facilitated the plastic processors to develop capacities to cater both the domestic as well as overseas exports.



Future Forecast

The Indian plastic industry clearly has the potential to continue its fast growth. However, over the next few years, competition in the industry is expected to increase considerably, as a result of global trends, which will become applicable to the liberalizing economy of country. To survive the competition, both polymer manufacturers and processors will need to adopt radically new methods and approaches to reduce costs, improve market and customer service and management of performance.

The per capita consumption of plastics in India is around 5.5 KG well below the world average. However it also reflects the many years of growth ahead, as the country's economy continues to grow and upgrade the usage of products. Translating the expected growth rate into incremental demand, it is obvious that the country will remain one of the largest sources of additional demand for almost all kinds of plastics.

Hence, it is clear that plastics will continue to be a growth industry, with boosting prospects for fresh investments in polymerization and downstream processing capacity. This is in contrast to the situation in various other

countries, where growth prospects are limited, either because of stagnant demand or due to the historical over building. In such countries, the overall outlook would be far less promising, with the key imperatives being cost cutting and capacity rationalization. Demand for plastics was ever growing. Mid 1990s came with a need to organize the Indian plastics sector as much as to consolidate the global markets. The Indian plastics industry faced intense competition from companies that were globally consolidated. Indian plastic industry needed technological advancements to compete the existing players in terms of product quality, cost and quantity.

Joint ventures, foreign investments and easier access to technology from developed countries have opened up new vistas to further facilitate the growth of this industry. Phenomenal developments in the plastic machinery sector coupled with matching developments in the petrochemical sector have facilitated the plastic processors to build @ giving their global counterparts a tough competition. The small scale sector also got a platform to present themselves through our customized solutions for them.

As per Plasto-India 2009 event in Delhi is euphoric about the huge growth opportunity in the next few years. With the domestic per capita consumption set to double by 2012, India is set to dominate the world's plastic scenario soon.

“USD 80 billion worth of new investment will take place in Indian Plastic Industry in next 3-4 years. The per capita consumption of plastic in India is 5 kg compared to US (109 kg), Brazil (32 kg) and China (29 kg). Being the lowest in per capita consumption, India has a great potential in near future”

Industry Structure and Development, Opportunities and Threats

Your Company performs in one business segment, i.e. Plastic Compound segment, with products, serving the following end users-

Power Cable Industries

Power cable industries are growing at a reasonable pace for last couple of years. As our country's emphasis for infrastructure development is increasing it is very clear that this segment will attract high level of investment. Our products are intermediate products and are used by cable manufacturers. Since cable is the key raw material for Power Generation and Transmission Industry and this industry will experience an unprecedented growth due to policy initiatives, we expect robust demand in the Power Generation and Transmission, distribution and steel and petrochemical sector.

Compound for packaging

This is a sunrise sector and demand is increasing at a very rapid pace. The reasons for such demands are primarily due to availability of raw material, availability of machines and marketing push by basic polymer manufacturers. Huge possibility of demand expansion lies in this sector.

Compound for pipe industries

Till now the demand for products in this sector is quite low to the size of population. This market is currently dominated by imports. Your company is engaged in import substitution and developing inroads in this market.

Footwear industries

In the footwear sector high growth is not expected as it is an unorganized sector and in house capacity is mostly available among the players. However, your company has been serving the demands of a few organized players in this sector.

Product wise operational performance

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

PVC Compound and Master Batches

The Production of PVC Compound & Master Batches for the current year was 30073.76 MT as against 19692.21 MT for the previous year. The turnover from PVC Compound & Master Batches was Rs.17858.19 lacs this year as against Rs. 12377.50 lacs for the last year.

PE Compounds

The production of PE Compound for the current year under review stood at 58000.02 MT as against 48587.38 MT for the last year. Turnover was Rs. 40926.44 lacs this year as against Rs. 31111.22 lacs last year.

PVC Soles and Hawaii Chappals

The production for Soles & Hawaii Chappals for the year was 7355500 pairs/kg and the turnover was Rs. 6234.73 lacs. The production for Soles and Hawaii Chappals for last year was 7040913 pairs/kg and the turnover was Rs. 6026.79 lacs.

Outlook

The whole world is facing a tremendous economic recession over last one year. Despite the economic meltdown, your company has overcome all the hurdles and achieves a good result.

The All India Plastics Manufacturers' Association (AIPMA), is continuously monitoring the impact of global economic crisis on all industry sectors. The economy has exposed Plastics Industry to huge risk, and has adversely affecting not only the raw material manufacturers but also the processors, specially micro, small and medium sectors. AIPMA has taken initiative to discuss with All India Industry Captains and Association Heads to chalk out strategies for the industry and find out solutions to steer through the prevailing situation, the industry is subjected to at the current scenario. Plastic industry is facing severe demand crunch causing serious concern to the domestic industry. Demand for major polymers was 10 per cent lower in Q2 this financial year as compared to the same period last year. The slowdown in demand is particularly pronounced in the commodity segment.

While Indian Economy is envisaging 6.7% growth in GDP, the key drivers to the Economic Growth being corporate capex, public infrastructure and fiscal stimuli from the Government, future outlook of the industrial sector where your company is operating is bright and promising. With increased stress on the development of infrastructure, demand for good quality of PVC and XLPE compounds have increased and the results of the Company for the year reflect the impact of the same. The Management of your company is very much familiar with both opportunities and threats and will continue to work to maintain competitiveness by reducing costs and improving quality as well as growth of sales of the company products. The Company has been continuously trying to grab new opportunities and the results under review are the witness to the efforts made in this direction. The company has been continuously improving its distribution channels, boost up its sales promotion activities and invest in facilities that would give it cost advantage over its' competitors.

Risk Management

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

Business risks

Price fluctuations in raw materials in the domestic and global markets will have an impact on the Company's revenues and profits. However, the management is cautiously optimistic about the likely recovery in the global infrastructure industry with increased focus on sales into various overseas markets and demand recovery in domestic market. The thrust of Government on power sector and the Company's focus on cost reduction, which has yielded positive results, will be the critical factor in mitigating margin pressures. Further, new product launches and long term relationship will aid in stabilizing cash flows.

Technology risks

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

Financial risks

Company has established a risk management strategy to manage its exposure to market risks resulting from adverse fluctuations in material prices, interest rates and foreign currency rates.

Internal Control System and their adequacy

Internal Control system continues to be prime focus area for the company. Currently all the operations of the company are carried out in conformity with the defined process. The Company also has policy of periodic audits and reviews of all business activities viz. purchase, stores,

marketing, personnel, production, maintenance, finance and accounts, IT systems, through independent audit firm of repute. The internal auditors periodically interact with the Audit Committee of the Board to discuss the terms of reference and frequency of audit, significant audit observations and their disposals and remedies if any. Further, the Company is in the process of implementing Enterprise Resource Plan (ERP) to consolidate all its operation as well as strengthen its Internal Control System.

Financial Performance & Analysis

Capital Structure

The total shareholders funds as at March 31, 2009 aggregated Rs. 715.82 Cr. of which equity capital was Rs. 11.55 Cr. comprising of 1, 15, 53,600 equity share of Rs. 10 each.

Dividend

Board of Directors have recommended an equity dividend of 20 % i.e. Rs. 2.00 per share of Rs. 10 each. The dividend outflow will aggregate to Rs. 2.31 Crores (excluding dividend tax) same as the earlier year.

Revenue and Profits

During the year under review, the Company's net revenue aggregated to Rs. 602.96 Cr. as compared to Rs. 451.60 Cr. in the previous year post an increase of 33.52%. Profit after tax stood at Rs. 21.85 Cr. as compared to 20.87 Cr. in the previous year, an increase of 4.70 % from previous year.

Shareholders' Value

The shares of Kalpena Industries Ltd; is listed on the Bombay Stock Exchange Ltd; and other stock exchanges in the regions. The Company has consistently enhanced Shareholders' value over the years. But due to global economic meltdown the BSE Sensex crashed about 38% from 15644 to 9708 as on 31st March, 2009. However your company share prices have maintained a balance and depreciated only 35.26 % from Rs. 82.10 to 53.15.

Human Resources

The Company recognizes the importance and contribution of its people to wards achieving the common goal. Over a period of time, we have built and nurtured a dedicated and excellent workforce which consists of engineers, CAs, CSs, accountants, MBAs, and advance degree holders like PhDs. Having a big business portfolio, we need unique skill sets. We therefore offer our employees an excellent platform to learn, grow and excel in myriad fields of expertise. Company is committed to the welfare of its people and their families and to improve the quality of their life by providing the required facilities.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws, certain resumptons on which estimates are based and other incidental factors.

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms to laws, regulations and guidelines and to promote ethical conduct through the organization with primary objective of enhancing shareholders value. Your Company perceives good corporate governance practices as key driver of sustainable corporate growth and long term shareholder value creation. The five core values that drive the Company's business are:

Excellence	:	Strive relentlessly and constantly improve ourselves in our offerings.
Creativity	:	Allow minds to reach beyond conventional and predictable solution.
Integrity	:	Conduct our business fairly, with honesty and transparency.
Responsibility	:	For our words and actions.
Respect	:	For our employees, business partners and stakeholders.

The Company has three tier governance structures;

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

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

2. BOARD OF DIRECTORS:

The Board of Directors of the Company consists of five Directors having varied experience in different areas. The Composition of Board of the company are as detailed below:

Sl. No.	Name	Designation	Category (Whole Time/Non-Executive/Independent)	Relationships with other Directors
1	Mr. D. C. Surana	Chairman	Non Executive & Non Independent.	Father of Mr. N. S. Surana
2	Mr. N. S. Surana	Vice Chairman cum Managing Director	Executive Director	Son of Mr. D. C. Surana
3	Dr. P. Ghosh	Director	Non Executive & Independent.	None
4	Mr. N. Guha	Director	Non Executive & Independent.	None
5	Dr. R. Dasgupta	Director	Non Executive & Independent.	None

The Managing Director is re - appointed for a period of five years from the period of taking over the charge i.e from 01.08.2007 to 31.07.2012. All other directors are liable to retire by rotation and at every AGM 1/3rd of them shall retire.

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

As required under the Accounting Standard 18 transaction with related parties are furnished under note 28 of Schedule 'T' of Notes to the Accounts. There was no transactions of material nature with Promoter Directors or their relatives, etc that may have potential conflict with the interest of the company. With regards to disclosure received from Directors and senior management there was no transaction with the company which might have potential conflict with the interest of the company at a large.

3: DETAILS OF BOARD MEETINGS DURING THE FINANCIAL YEAR :

The Meetings of the Board of Directors are normally held at the Company's Registered Office at Kolkata. During the financial year 2008-2009, Nine Board Meetings were held on 30th April, 2008, 31st July, 2008, 12th August, 2008, 23rd August, 2008, 31st October, 2008, 16th January, 2009, 31st January, 2009, 19th March, 2009 and 27th March, 2009. The gap between two Board Meetings did not exceed four months. The Attendance of each Director in the Board Meetings and the Last Annual General Meeting is detailed herein below :

Sl. No.	Directors	No of Board Meeting Attended	Attendance at the last AGM held on 23.09.2008	No. of other directorships held (including Private Companies)	No. of Shares held in the Company	No. of Committee Memberships / Chairmanship in other companies	
						As Chairman	As Member
1	Mr. D. C. Surana	9	Yes	0	15000	0	0
2	Mr. N. S. Surana	9	Yes	1	400	0	0
3	Dr. P. Ghosh	9	Yes	0	0	0	0
4	Mr. N. Guha	9	Yes	1	0	0	0
5	Dr. R. Dasgupta	2	No	0	0	0	0

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

4. COMMITTEES OF THE BOARD :

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

4.1 AUDIT COMMITTEE:

In terms of Clause 49 of the Listing Agreement as well as of Section 292A of the Companies Act, 1956, the Board has constituted an Audit Committee. The Committee presently comprises four Non-Executive Directors, three of whom are Independent Directors. Mr. N.Guha is the Chairman of the Committee is a Non-Executive Independent Director having adequate management expertise. Mr. M. K. Jain, Company Secretary of the Company acts as Secretary of the Committee.

All the Members of the Committee have good knowledge of finance, accounts and company law with in the meaning of clause II (A) explanation 1 of Clause 49 of the Listing Agreement. During the year under review, the committee met five times on 30.04.2008, 31.07.2008, 12.08.2008, 31.10.2008 and 31.01.2009. The Composition of the Committee and the attendance at each Committee Meetings are as follows;

Name	Category	Attendance of Directors				
		30.04.2008	31.07.2008	12.08.2008	31.10.2008	31.01.2009
Mr. N. Guha	Non Executive Independent	Yes	Yes	Yes	Yes	Yes
Mr. D. C. Surana	Non-Executive	Yes	Yes	Yes	Yes	Yes
Dr. P. Ghosh	Non Executive Independent	Yes	Yes	Yes	Yes	Yes
Dr. R. Dasgupta	Non Executive Independent	Yes	Yes	No	No	No

The Managing Director, Chief Financial Officer, Statutory Auditors usually attend the meeting, (being entitled to attend as per relevant provisions of applicable laws/rules and/or) as and when felt necessary.

Term of reference :

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

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

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

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

Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;

Changes, if any, in accounting policies and practices and reasons for the same;

Major accounting entries involving estimates based on the exercise of judgment by management;

Significant adjustments made in the financial statements arising out of audit findings;

Compliance with listing and other legal requirements relating to financial statements;

Disclosure of any related party transactions;

Qualifications in the draft audit report;

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

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

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

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

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

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

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

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

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

Power of Audit Committee

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

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

4.2 REMUNERATION COMMITTEE :

Composition

The Board has constituted a Remuneration Committee presently comprising of :

- a. Dr. P. Ghosh – Chairman (Non Executive & Independent)
- b. Mr.D.C.Surana – Member (Non Executive Director)
- c. Mr. N.Guha - Member (Non – Executive & Independent)

Mr. M.K.Jain, Company Secretary acts as the Secretary of the Committee.

Terms of Reference :

To review, assess and recommend the appointment of Executive and Non-Executive Directors from time to time, to periodically review the remuneration packages of the Executive Directors and recommend suitable revision to the Board, to recommend compensation to the Non-Executive Directors in accordance with the Companies Act, to consider and recommend Employee Stock Option Schemes (if any) from time to time and to administer and superintend the same.

Remuneration Policy :

Remuneration largely consists of base remuneration, perquisites and performance incentives. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience, responsibilities handled by him, individual performance etc.

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

The Non- Executive Directors of the Company are being paid a sitting fee of Rs. 2500 /- for attending each meeting of Board and Committees. Besides sitting fees, the Non Executive Directors of the company were not paid any other remuneration or commission. However the Managing Director is being paid remuneration as approved by the shareholders. The details of the payments made to the Directors during the year are given below;

Name	Position	Sitting Fees	Salary & Perks	Commission	Total
Mr. D. C. Surana	Non Executive Chairman	100000	Nil	Nil	100000
Mr. N. S. Surana	Vice chairman cum Managing Director	Nil	13,20,000	Nil	13,20,000
Dr. P. Ghosh	Non Executive Director	37,500	Nil	Nil	37,500
Mr. N. Guha	Non Executive Director	37,500	Nil	Nil	37,500
Dr. R. Dasgupta	Non Executive Director	10,000	Nil	Nil	10,000

During the Financial Year 2008-2009, the remuneration Committee met only once on 2nd April, 2008. The attendance of each Member of the Committee is given below:

Sl. No.	Name	Meeting held during the tenure of Directors	Meeting attended
1	Dr. P. Ghosh	1	1
2	Mr. N. Guha	1	1
3	Mr. D. C. Surana	1	1

4.3. SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE:

The Share Transfer & Investors Grievance Committee oversees the redressal of Investors Grievances pertaining to Share Transfer, de - materialization / re - materialization of shares, issue of duplicate shares, non receipt of dividend and other related matters.

Composition:

The Shareholder's Grievance Committee has the following Composition:

- a. Mr. D.C.Surana – Chairman (Non Executive)
- b. Mr. N.S.Surana – Member (Executive)

The Company Secretary of the Company, Mr. M.K.Jain is the Compliance Officer of the Committee. The Committee met 25 times during the year 2008-2009.

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

Sl. No.	Name	Meeting held during the tenure of Directors	Meeting attended
1	Mr. D. C. Surana	25	25
2	Mr. N. S. Surana	25	25

During the year ended 31st March, 2009, 158 complaints were received and all have settled except eight complaints.

5. DETAILS OF GENERAL MEETING :

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

Financial Year	Date	Time	Venue	Whether Special Resolution passed or not
2007-2008	23rd September 2008	02.00 P.M.	Gyan Manch 11 Pretoria Street, Kolkata - 700 071	Change the name of the Company from Kalpana Industries Ltd. to Kalpena Industries Ltd.
2006-2007	22nd September 2007	10.30 A.M.	Gyan Manch 11 Pretoria Street, Kolkata - 700 071	None
2005-2006	13th September 2006	10.30 A.M.	Gyan Manch 11 Pretoria Street, Kolkata - 700 071	None

5.1 Extraordinary General Meeting: During the Financial Year 2008-2009 no Extraordinary General Meeting of the members of the company was held.

5.2 Postal Ballot: During the year under review no Special Resolution was passed through Postal Ballot.

6. DISCLOSURES:

6.1 Disclosure on material transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their relatives etc., that may have potential conflict with the interest of the company at large. None of the transactions with any of the related parties were in conflict with the interest of the Company.

- 6.1 Details of Non compliance. No penalties / strictures have been imposed on the Company by Stock Exchanges or SEBI or any other authority, on any matter related to capital markets during last three years.
- 6.2 Whistle Blower Policy. The Company has adopted a "Whistle Blower Policy" which has been communicated to all employees at all level along with Code of Conduct. The Whistle Blower Policy is the mechanism to help the employees to raise their concerns about any malpractice, impropriety, abuse or wrongdoing at an early stage and in the right way, without fear of victimization, subsequent discrimination or disadvantage. No employee of the Company has been denied access to the Audit Committee of the Board of Directors.
- 6.3 Disclosure of Risk Management. The company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.
- 6.4 Compliance of Clause 49. The company has complied with the entire mandatory requirement to Clause 49 of the Listing Agreement executed with the Stock Exchanges. Comments on adoption of non-mandatory requirements are given at the end of this report.
- 6.5 CEO and CFO Certificate. The CEO and CFO certificate as required under clause 49(V) of the Listing Agreement was laid before the Board of Directors and was taken on record by the Board. The CEO / CFO certificate is reproduced below.

Managing Director And Chief Financial Officer Certification

We have reviewed the Financial Statements and Cash Flow Statement for the financial year ended on 31st March, 2009 and to the best of our knowledge and belief ;

- i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- iii) These are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

Further, we accept that it is our responsibility to establish and maintain internal controls for financial reporting. Accordingly, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and have disclosed to the Auditors and Audit Committee, wherever applicable;

- a) Deficiencies in the design or operation of internal controls, if any, which come to our notice and steps have been taken / proposed to be taken to rectify these deficiencies;
- b) Significant changes, if any, in internal control over financial reporting during the year. During the financial year ended on 31st March, 2009, there were no significant changes in internal control over financial reporting.
- c) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements. During the financial year ended on 31st March, 2009, there were no significant changes in accounting policies.
- d) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

During the Financial Year ended on 31st March, 2009, there were no instances of the above nature.

Sd/-
N.S.Surana
Managing Director

Sd/-
I.C.Dakalia
CFO

Date: 27th Day of June, 2009
Place : Kolkata

7. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

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

8. MEANS OF COMMUNICATION :

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

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 of ensuing Annual General Meeting.

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

9. CODE OF INSIDER TRADING:

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

10. GENERAL SHAREHOLDERS INFORMATION :**(i) Annual General Meeting (AGM)**

Day, Date & Time : Tuesday, the 15th September, 2009 at 10.00 A.M.

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

(ii) Date of Book Closure : Tuesday, 08th September, 2009 to Tuesday, 15th September, 2009 (both days inclusive)

(iii) Dividend Payment Date : On or after 20th September, 2009, if declared at the AGM

(iv) Financial calendar for Year 2009-10. (tentative)

The Company follows the financial year from April to March.

For the quarter ending	30 th June, 2009	Last week of July, 2009
For the quarter & half year ending	30 th September, 2009	Last week of October, 2009
For the quarter ending	31 st December, 2009	Last week of January, 2010
For the quarter & year ending	31 st March, 2010	Last week of April/ June, 2010

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

Name of the Stock Exchanges	Stock Code
The Bombay Stock Exchange Ltd.(BSE)	526409
The Calcutta Stock Exchange Association Ltd. (CSE)	10021028
The Delhi Stock Exchange Association Ltd.(DSE)	11103
The Hyderabad Stock Exchange Ltd.	KALPIN\$
The Ahmedabad Stock Exchange Ltd.	29660

(vi) ISIN Number : For the Company's Equity Share in De mat Form: INE301C01010.

(vii) Depository Connectivity:

National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). The Company's equity shares are compulsorily traded in electronic form. As on 31st March, 2009, 10523215 shares representing 91.08% was held in electronic form.

(viii) Registrar & Transfer Agent:

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

(ix) **Share Transfer System:**

Share transfers are generally registered within a maximum period of 15 days from the date of receipt provided the documents are complete in all respects. All Share transfers are approved by the "Share Transfer & Investors' Grievance Committee". The Company has appointed M/s. S.K.Computers as a common agency for share registry work (both physical & electronic) in compliance of circular No. D&CC/FITTC/CIR15/2002 dated 27th December, 2002 issued by SEBI, for all matters connected with transfers and transmissions of shares and also dematerialization of shares and other related functions.

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

The investor grievances are handled by the Company's RTA, M/s. S.K.Computers, Kolkata, in consultation with the Secretarial Department of the Company. The RTA 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. Further any kind of grievances may be specifically addressed to the Company Secretary are send to the registered office for speedy redressal.

158 Numbers of member's complaint / queries were received during the year under review and 150 were replied / resolved. The complaint pending as on 31st March, 2009 was 8.

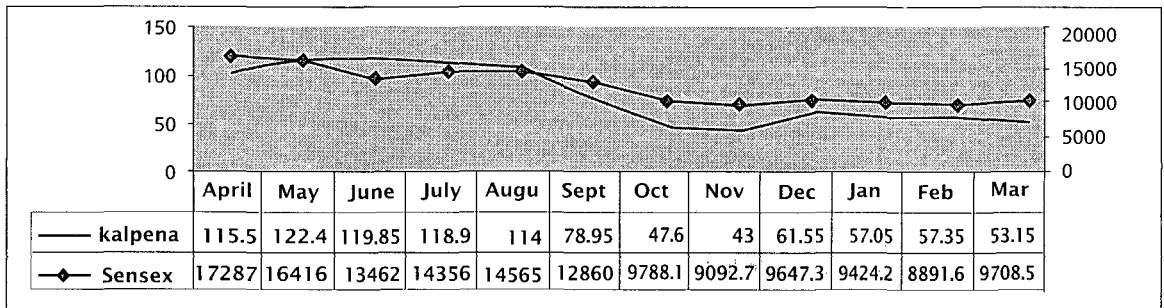
(xi) **Unpaid / Unclaimed Dividend.**

In terms of Section 205A and 205C of the Companies Act, 1956, the company is required to transfer the amount of dividend remaining unpaid for a period of seven years from the date of transfer to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to IEPF.

(xii) **Market Price Data :**

The shares of the company are currently traded at BSE.The Stock Market data form 1st April, 2008 to 31st March, 2009 are given below :

Months	Bombay Stock Exchange Limited				
	Monthly High Price	Monthly Low Price	Sensex highest	Sensex lowest	Volume of share traded
April 2008	125.50	80.50	17480.74	15297.96	367827
May 2008	133.45	103.60	17735.70	16196.02	355338
June 2008	128.00	100.85	16632.72	13405.54	1051155
July 2008	142.00	105.05	15130.09	12514.02	919207
August 2008	130.35	111.00	15579.78	14002.43	448844
September 2008	120.00	69.25	15107.01	12153.55	354328
October 2008	80.85	37.00	13203.86	7697.39	182978
November 2008	62.75	41.00	10945.41	8316.39	60592
December 2008	62.45	36.00	10188.54	8467.43	80135
January 2009	64.70	53.05	10469.72	8631.60	97384
February 2009	60.95	52.55	9724.87	8619.22	36533
March 2009	59.90	45.10	10127.09	8047.17	85151



(xiii) Distribution Schedule as on 31.03.2009

Range	Number of Shareholders		Shares held in each class	
	Number	%	Number	%
Up to 500	7537	94.71	926857	8.02
500 - 1000	192	2.41	154070	1.33
1001 - 2000	88	1.11	136549	1.19
2001 - 3000	51	0.64	127206	1.10
3001 - 4000	13	0.16	47585	0.41
4001 - 5000	11	0.14	48682	0.42
5001 - 10000	58	0.73	775121	6.71
10001 & above	8	0.10	9337530	80.82
Total	7958	100.00	11553600	100.00

(xiv) Share Holding Pattern as on 31.03.2009

Category	No. of Shares Held	% of holding
Promoter's Holding		
i) Individual / HUF	16300	0.14
ii) Bodies Corporate	8569726	74.17
Total Promoter's Holdings	8586026	74.31
Non Promoter's Holding		
Mutual Funds / UTI	10100	0.10
FIs	348063	3.01
Private Body Corporate	756995	6.55
Indian Public	1852416	16.03
Total Non Promoters Holdings	2967574	25.69
Total	11553600	100%

(xv) Plant Locations :

- Kolkata Works -
Village – Bhasa, No.14,P.O.& P.S. Bishnupur,
Dimond Harbour Road, South 24 Parganas,
W.B.- 743503, India.
- Daman Works –
168/151-158, Dhabel Industrial Co- Operative
Society Ltd, Dhabel, Daman – 396215, India
- Dadra Works (I)-
Survey No.24/3, Village – Demini, Demini Road,
Dadra, Dadra & Nagar Haveli – 396230, India.
- Dadra Works (II)-
Survey No.24/5/1/2, Village – Demini, Demini Road,
Dadra, Dadra & Nagar Haveli – 396230, India.

(xvi) Registered Office :
2B, Pretoria Street, Kolkata – 700 071

Non Mandatory requirements of Corporate Governance.

As required under non-mandatory requirements the Company has constituted Remuneration Committee. Further, the Company has adopted Whistle – Blower mechanism, which has been discussed in this report. The Company's policies as regards adoption of other non- mandatory requirements shall be disclosed in the report from time to time.

Declaration regarding Affirmation of Code of Conduct.

It is hereby declared that the company has obtained from all members of the Board and senior management, affirmation that they have complied with the code of conduct for Directors and senior management of the company for the year 2008-2009.

Date: 27th Day of June, 2009
Place : Kolkata

Sd/-
N.S.Surana
Managing Director

Auditors' Certificate of Compliances with the Corporate Governance Requirement Under Clause 49 of The Listing Agreement

To The Members of
Kalpena Industries Ltd.

We have examined the compliance of corporate governance by Kalpena Industries Ltd. for the year ended on 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 the 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.

For D. C. Dharewa & Co.
Chartered Accountants

Place : Kolkata
Date : 27th Day of June, 2009

D. C. Dharewa
proprietor
(Membership No. 53838)

Auditors' Report

To
The Members of
Kalpena Industries Ltd.

- 1) We have audited the attached Balance Sheet of Kalpena Industries Ltd. as at 31st March 2009 and the Profit and Loss Account and the Cash Flow Statement 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.*
- 2) 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.
- 3) As required by the Companies (Auditor's Report) Order, 2003 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 paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, Balance Sheet, 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 representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (I) 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 give the information required by the 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 the Balance Sheet, of the state of affairs of the Company as at 31st March 2009 and
 - ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For: D. C. Dharewa & Co.
Chartered Accountants

D. C. Dharewa
Proprietor
(Membership No. 53838)

Place : Kolkata
Date : 27th Day of June, 2009

Annexure referred to in paragraph 3 of the Auditors Report of even date to the members of Kalpena Industries Ltd. of the accounts for the year ended 31st March 2009.

- i) 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 not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of those assets. No material discrepancies were noticed on such verification.
- c) There was no substantial disposal of the Fixed Assets.
- ii) a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of operation of the company and have been dealt with in the books of accounts.
- iii) a) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
- b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases 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 to major weaknesses in internal controls.
- v) In our opinion and according to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi) According to the information and explanations given to us, the Company has not accepted any deposit from public.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us the Central Government has not prescribed for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- ix) a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities during the year.
- b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute except as detailed hereunder :

Name of Statute	Nature of Dues	Amount involved (dues identified to the extent not deposited) (Rs.)	Period of which the amount relates	Forum where dispute is pending
Excise Act	Excise Duty	29,34,769/-	F.Y. 1996-97	CEGAT
Income Tax Act	Income Tax	1,21,263/-	A.Y. 2002-03	Income Tax Tribunal

- x) There are no accumulated losses of the company. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank.
- xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) *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 the Companies (Auditor's Report) Order, 2003 are not applicable to the company.*
- xiv) In our opinion the company, is not dealing in or trading in shares, securities, debentures and other investments, accordingly, the provisions of Clause 4(xiv) of the order are not applicable to the Company.
- xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion, and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us, on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) There are no debentures issued and outstanding at the year end.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us and representations made by management and based upon the audit procedures performed, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For D. C. Dharewa & Co.
Chartered Accountants

Place : Kolkata
Date : 27th Day of June, 2009

D. C. Dharewa
Proprietor
(Membership No. 53838)

Balance Sheet As At 31st March, 2009

(Rupees in Thousand)

	Schedule	As at 31st March, 2009		As at 31st March, 2008	
SOURCES OF FUNDS					
Shareholder's Funds					
Share Capital	A	115,536		115,536	
Reserve and Surplus	B	600,283	715,819	408,802	524,338
Loan Funds					
Secured Loans	C	789,543		687,305	
Unsecured Loans	D	426,952	1,216,495	386,708	1,074,013
Deferred Tax Liability			44,763		29,381
TOTAL			1,977,077		1,627,732
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	711,630		699,973	
Less: Depreciation		195,004		157,667	
Net Block		516,626		542,306	
Capital work in progress		32,997	549,623	1,534	543,840
Investments	F		882		882
Current Assets, Loans and Advances					
Inventories	G	377,724		374,282	
Sundry Debtors	H	1,265,307		765,843	
Cash and Bank Balances	I	107,071		86,275	
Loans and Advances	J	291,418		221,536	
TOTAL (A)		2,041,520		1,447,936	
Less : Current Liabilities and Provisions					
Current Liabilities	K	502,012		285,970	
Provisions	L	112,936		78,956	
TOTAL (B)		614,948		364,926	
Net Current Assets (A - B)			1,426,572		1,083,010
TOTAL			1,977,077		1,627,732
Statement of significant Accounting Policies	S				
Notes on Accounts	T				

This is the Balance Sheet referred to in our Report of even date attached

For D. C. Dharewa & co.
Chartered AccountantsD. C. Dharewa
Proprietor
Membership No.53838
Place : Kolkata
Date : 27th Day of June 2009

For and on behalf of the Board

D.C. Surana - Chairman
N.S. Surana - Managing Director
P. Ghosh - Director
N. Guha - Director
M.K. Jain - Company Secretary

Profit And Loss Account for the year ended 31st March, 2009

(Rupees in Thousand)

	Schedule	For the Year Ended 31st March, 2009		For the Year Ended 31st March, 2008	
INCOME					
Turnover (Gross)	M	6,666,966		5,063,082	
Less: Excise Duty		637,335		547,058	
Net Turnover			6,029,631		4,516,024
Other Income	N		11,466		28,748
Increase/(Decrease) in Stock	O		(15,792)		42,837
Total (A)			6,025,305		4,587,609
EXPENDITURE					
Cost of Production	P		5,255,334		3,969,964
Personnel Cost	Q		48,639		28,408
Administrative, Selling and Other Expenses	R		316,696		223,420
Interest			96,283		80,882
Depreciation			42,941		39,379
Total (B)			5,759,893		4,342,053
Profit before Exceptional items and Taxation (A - B)			265,412		245,556
Less : Prior Period Adjustment			365		982
Profit before Taxation			265,047		244,574
Less : Provision for Taxation					
Income Tax (Including for earlier year NIL Previous year Rs.320 thousands)		30,000		28,320	
Deferred Tax		15,382		6,592	
Fringe Benefit Tax		1,150	46,532	925	35,837
Net Profit for the year			218,515		208,737
Add : Balance brought forward from last year			314,656		158,953
Profit Available for Appropriation			533,171		367,690
Appropriation					
Proposed Dividend			23,107		23,107
Tax on Proposed Dividend			3,927		3,927
General Reserve			26,000		26,000
Balance Carried to Balance Sheet			480,137		314,656
			533,171		367,690
Earning Per Share (Basic and Diluted)			Rs.		Rs.
(Note 11 on Schedule - T)			18.91		18.06
Statement of significant Accounting Policies	S				
Notes on Accounts	T				

This is the Profit and Loss Account referred to in our Report of even date attached

For D. C. Dharewa & co.
Chartered Accountants

For and on behalf of the Board

D.C. Surana - Chairman
N.S. Surana - Managing Director
P. Ghosh - Director
N. Guha - Director
M.K. Jain - Company SecretaryD. C. Dharewa
Proprietor
Membership No.53838
Place : Kolkata
Date : 27th Day of June 2009

Cash Flow Statement for the year ended 31st March, 2009

(Rs. in Thousand)

	Year Ended March 31st 2009		Year Ended March 31st 2008	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extra - ordinary items		265,412		245,556
Add : - Depreciation	42,941		39,379	
- Loss on sale of Fixed Assets -			434	
- Foreign currency fluctuation Loss	31,459		-	
- Interest Expenses	96,283	170,683	80,882	120,695
		436,095		366,251
Less : - Interest Income	8,687		6,683	
- Profit on sale of Fixed Assets	37		-	
- Foreign currency fluctuation Gain			21,709	
- Sundry Balances written off	919	9,643	1,092	29,484
		426,452		336,767
Operating Profit before Working Capital Changes				
Adjustment For :				
- Trade receivable	(498,545)		(107,935)	
- Loans & Advances	(36,320)		1,585	
- Inventories	(3,442)		(62,744)	
- Provision	2,830		(8,645)	
- Trade & Other Payables	184,515	(350,962)	(36,782)	(214,521)
Cash Generated before Extra - ordinary items		75,490		122,246
- Prior Period Expenditure		(365)		(982)
Cash Generated From Operations		75,125		121,264
- Income Tax Paid		(33,562)		(28,065)
Net Cash Generated from Operations	(A)	41,563		93,199
B. CASH FLOW FROM INVESTING ACTIVITIES :				
- Purchase of Fixed Assets	(59,989)		(93,535)	
- Sale of Fixed Assets	11,302		347	
- Purchase of Investment	-		(571)	
- Interest Received	8,687		6,683	
Net Cash Generated from Investing Activities	(B)	(40,000)		(87,076)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
- Long Term Borrowings	146,365		(47,037)	
- Working Capital loan from bank	(44,127)		229,319	
- Short Term Borrowings	40,244		(54,493)	
- Interest Paid	(96,283)		(80,882)	
- Dividend Paid(Including Tax on Dividend)	(26,966)		(26,201)	
Net Cash Generated from Financing Activities	(C)	19,233		20,706
Net Increase / (Decrease) in Cash & Cash Equivalents	(A+B+C)	20,796		26,829
Cash & Cash Equivalents as at Beginning		86,275		59,446
Cash & Cash Equivalents as at End		107,071		86,275

NOTES:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on cash Flow Statements issued by the Institute of Chartered Accountants of India
- Previous Year's figures have been regrouped where necessary to conform to the current year's classification.
- Cash and Cash Equivalents comprise :

Cash in Hand	3422	2004
Cheques in hand	0	2763
Balances with scheduled banks		
In Current Accounts	13654	14226
In Margin & Guarantee Deposit Accounts	86810	64165
In Unpaid Dividend Account	3185	3117
	<u>107071</u>	<u>86275</u>

As per report attached

For D. C. Dharewa & co.
Chartered AccountantsD. C. Dharewa
Proprietor
Membership No.53838Place : Kolkata
Date : 27th Day of June 2009

For and on behalf of the Board

D.C. Surana - Chairman
N.S. Surana - Managing Director
P. Ghosh - Director
N. Guha - Director
M.K. Jain - Company Secretary

Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2009 and the Profit and Loss Account for the year ended 31st March, 2009

(Rupees in Thousand)

	As at 31st March, 2009	As at 31st March, 2008
Schedule - A		
Share Capital		
<u>Authorised</u> 1,20,00,000 (Previous Year 12000000) Equity Shares of Rs 10/-each	<u>120000</u>	<u>120000</u>
<u>Issued</u> 1,15,53,600 (Previous Year 1,15,53,600) Equity Shares of Rs 10/- each	<u>115536</u>	<u>115536</u>
<u>Subscribed & Paid Up</u> 1,15,53,600(Previous Year 1,15,53,600) Equity Shares of Rs 10/- each	<u>115536</u>	<u>115536</u>

	As at 31st March, 2009		As at 31st March, 2008	
Schedule - B				
Reserve and Surplus				
Capital Reserve (As per last Account)		1291		1291
Securities Premium Account (As per last Account)		31295		31295
General Reserve (As per last Account)	61560		35560	
Transfer from Profit & Loss Account	26000	87560	26000	61560
Profit & Loss Account		480137		314656
		600283		408802

	As at 31st March, 2009	As at 31st March, 2008
Schedule - C		
Secured Loans		
From Banks		
Cash Credit and Working Capital Demand Loan Secured by hypothecation of stock and Book Debts and charge over Fixed Assets of the company and personal guarantee of a director.	617712	519661
Term Loan Secured by Pari-Passu Charges on entire Fixed Assets of the Company, Present and Future.	123517	167644
Buyers' Import Credit	48314	Nil
	789543	687305

	As at 31st March, 2009	As at 31st March, 2008
Schedule - D		
Unsecured Loans		
From Bodies Corporate	426952	386708
	426952	386708

Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2009 and the Profit and Loss Account for the year ended 31st March, 2009

Schedule - E Fixed Assets

(Rupees in Thousand)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As on 1.4.08	Additions during the year	Sales	As at 31.3.09	As on 1.4.08	For the Year	Adjustment for sales	Total as at 31.3.09	As at 31.03.09	As at 31.03.08
Free hold land	18874	525	0	19399	0	0	0	0	19399	18874
Factory Building	131488	9313	0	140801	20179	4460	0	24639	116162	111309
Plant & Machinery	446224	12340	16825	441739	108755	32517	5579	135693	306046	337469
Furniture & Fixture	3896	140	0	4036	1302	244	0	1546	2490	2594
Motor Car	11742	4743	0	16485	2203	1014	0	3217	13268	9539
Scooter, Moped & Cycle	296	0	0	296	182	25	0	207	89	114
Laboratory Equipment	12635	403	0	13038	7329	939	0	8268	4770	5306
Electrical Installation	58061	244	0	58305	10121	2766	0	12887	45418	47940
Office Equipment	8680	285	44	8921	2775	389	25	3139	5782	5905
Airconditioner	2335	69	0	2404	537	113	0	650	1754	1798
Computer	5742	464	0	6206	4284	474	0	4758	1448	1458
Total	699973	28526	16869	711630	157667	42941	5604	195004	516626	542306
Capital Work In Progress									32997	1534
Previous year figure	607913	93463	1403	699973	118910	39379	622	157667	542306	489003

Schedule - F

(Rupees in Thousand)

Investments	Face Value Rs.	As at 31st March, 2009		As at 31st March, 2008	
		No. of Shares	Amount	No. of Shares	Amount
Long Term Other Than Trade Quoted					
Dena Bank	10/-	14	1	14	1
Nicco Corporation Ltd.	10/-	6500	65	6500	65
Unquoted					
Sterling Resorts Ltd.			131		131
Panchawati Holiday Resorts Ltd.	10/-	9400	94	9400	94
7 Year National Saving Certificate			10		10
5.5 Year Kissan Vikash Patra			10		10
Bavaria Associates Pvt. Ltd.	10/-	57050	571	57050	571
			882		882
Aggregate Book Value of Investments					
Quoted			66		66
Unquoted			816		816
			882		882
Aggregated Market Value of quoted Investments			27		133

Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2009 and the Profit and Loss Account for the year ended 31st March,2009

(Rupees in Thousand)

	As at 31st March, 2009	As at 31st March, 2008
Schedule - G		
Inventories (As taken, valued and certified by the management)		
Raw Materials - at cost or net realisable value	245002	285922
Finished Goods - at cost or net realisable value whichever is lower	68793	84585
Stores & Spares - at cost	3937	3726
Stock in transit - At cost	59992	49
	377724	374282
Schedule - H		
Sundry Debtors (Unsecured-considered good)		
Debts over six months	20498	36843
Other debts	1244809	729000
	1265307	765843
Schedule - I		
Cash and Bank Balances		
Cash in Hand (As certified by the management)	3422	2004
Cheques in hand	0	2763
Balances with scheduled banks		
In Current Accounts	13654	14226
In Margin & Guarantee Deposit Accounts	86810	64165
In Unpaid Dividend Account	3185	3117
	107071	86275
Schedule - J		
Loans and Advances (Unsecured -Considered good) (Recoverable in cash or kind or for value to be received)		
Advance payment of Income Tax (Including Tax Deduced at Source)	79956	46394
Sundry Deposits	3369	2891
Interest Receivables	506	421
Prepaid Expenses	7395	642
Other Advances	120134	55930
Advance to Suppliers	44753	50137
Balance with Central Excise Authorities	35305	65121
	291418	221536

Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2009 and the Profit and Loss Account for the year ended 31st March,2009

(Rupees in Thousand)

	As at 31st March, 2009	As at 31st March, 2008
Schedule - K		
Current Liabilities		
Sundry creditors for goods	177072	115734
Sundry creditors for expenses	48480	32173
Taxes & other duties payable	4431	5613
Other Liabilities	857	1105
Advance from customers	4194	9660
Overdrawn Bank balance	0	796
Creditors for Fixed Assets	15357	15138
Bills payable	248436	102634
Unclaimed Dividend*	3185	3117
(*Investors Education and Protection Fund shall be credited by the unclaimed amount when due pursuant to section 205A and 205C of the Companies Act,1956)		
	502012	285970

	As at 31st March, 2009	As at 31st March, 2008
Schedule - L		
Provisions		
For Taxation	79495	48345
For Leave encashment and Gratuity	6407	3577
For Proposed Equity Dividend	23107	23107
For Tax on proposed equity dividend	3927	3927
	112936	78956

	For the Year Ended 31st March, 2009	For the Year Ended 31st March, 2008
Schedule - M		
Turnover		
Gross (Sales)	6658878	5054089
Job Charges (Gross)	8088	8993
(Tax Deducted at Source Rs183284/-, Previous Year Rs222462/-)		
	6666966	5063082
Less : Excise Duty	637335	547058
	6029631	4516024

Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2009 and the Profit and Loss Account for the year ended 31st March, 2009

(Rupees in Thousand)

	For the Year Ended 31st March, 2009	For the Year Ended 31st March, 2008
Schedule - N		
Other Income		
Interest (Gross)	8687	6683
*(Tax Deducted at Source Rs1105384 /- Previous Year Rs 568045/-)		
Miscellaneous Receipts	2736	354
Foreign Currency Fluctuation Gain (Net)	0	21709
Profit on sale of fixed Assets	37	0
Rent	6	2
	11466	28748
*(Amount of Tax deducted at source is in Rupees)		

	For the Year Ended 31st March, 2009	For the Year Ended 31st March, 2008
Schedule - O		
Increase/ (Decrease) In Stocks		
Closing Stock of Finished Goods	68793	84585
Less : Opening Stock of Finished Goods	84585	41748
Increase/ (Decrease)	(15,792)	42837

	For the Year Ended 31st March, 2009	For the Year Ended 31st March, 2008
Schedule - P		
Cost of Production		
Raw Material Consumed	5117208	3,838,083
Manufacturing Expenses :		
Repairs to machineries	5060	7,959
Stores & Consumables	10280	6,591
Carriage Inward	43346	40,648
Production Overhead	11353	16,488
Power & Fuel	65779	59,377
Security Charges	973	697
Job Work Charges	1335	121
	5255334	3969964

	For the Year Ended 31st March, 2009	For the Year Ended 31st March, 2008
Schedule - Q		
Personnel Cost		
Salaries Wages & Bonus	43966	23,965
Staff Welfare Expenses	3006	2,584
Contribution to Providend and other Funds	1103	788
Gratuity	564	1,071
	48639	28408

Schedule Annexed to and forming part of the Balance Sheet As At 31st March, 2009 and the Profit and Loss Account for the year ended 31st March,2009

(Rupees in Thousand)

	For theYear Ended 31st March, 2009	For theYear Ended 31st March, 2008
Schedule - R		
Administrative,Selling and other Expenses		
Advertisement	1256	1,130
Auditors Remuneration	175	155
Bank Charges	17690	12,842
Bill Discounting charges	23663	10,364
Book and Periodicals	163	88
Brokerage & Commision	2702	3,861
Carriage Outwards	118286	65,238
Charity & Donation	92	187
Clearing and Forwarding charges	16480	15,037
Computer Processing charges	498	785
Consultancy Charges	6305	4,916
Coolie & Cartage	7084	4,842
Directors sitting Fees	188	145
Discount	34710	56,347
Electrical Maintenance	1878	2,290
Electricity Charges	943	443
Filing fees	13	4
General Expenses	930	848
Insurance Charges	8030	3,671
Internal Auditors Remuneration	50	20
L/C Charges	7436	6,374
Laboratory Expenses	584	822
Legal Expenses	95	381
License Fees	1262	1,183
Listing Fees	162	78
Membership & Subscription	174	265
Motorcar Expenses	2095	2,084
Sales Tax Paid	0	1,473
Postage & Telegraph	909	925
Printing & Stationery	2032	1,361
Rates & Taxes	597	629
Rent	3961	3,079
Repair & Maintenance - Building	1609	703
Repair & Maintenance - Others	2137	3,364
Sales Promotion Expenses	6151	3,381
Share Holders Service Charges	95	69
Telephone & Telex	2319	2,421
Travelling & Conveyance Expenses	11564	10,089
Foreign Currency Fluctuation Loss (Net)	31459	-
Loss on Sale of Fixed Assets	0	434
Sundry Balances Written off (Net)	919	1,092
	316696	223,420

Schedule - S

Significant Accounting Policies :

i) **Basis of Preparation of Financial Statements**

The financial statements have been prepared on the historical cost convention basis and to comply in all material aspects with the generally accepted accounting principles and the Accounting Standards referred to in Section 211(3C) and the relevant provisions of the Companies Act, 1956.

ii) **Revenue Recognition :**

1. Sales are recognised on despatch to customers and include jobs charges, raw material sales & remission of Central Sales Tax and Vat Amount.
2. Other Income and Expenditure are recognised and accounted on accrual basis.

iii) **Employee Benefits :**

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

Contribution towards provident funds are recognised as expenses and are made to government administered provident fund towards which the Company has no further obligations beyond its monthly contribution. Liability towards gratuity, covering eligible employees on the basis of year-end actuarial valuation is recognised as a charge.

Accrued liability towards leave encashment benefits, covering eligible employees' is recognised as charge. Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees is recognised as charge. Super Annuation benefit scheme is not existing in the company at present.

iv) **Fixed Assets :**

Fixed Assets are stated at cost of acquisition /construction net of Cenvet less depreciation, attributable interest and expenses of bringing the respective assets to its working condition for the intended use are capitalised.

v) **Depreciation :**

Depreciation on assets is provided on straight - line method as per the rate provided in the schedule (XIV) of the Companies Act, 1956.

vi) **Investments :**

Long term investments are valued at cost.

vii) **Inventories :**

Inventories are valued at cost or net realisable value whichever is lower. Cost is determined by using the Weighted average method. Finished goods include cost of conversion and other cost incurred for bringing the inventories to their present location and condition.

viii) **Excise Duty :**

Liability for Excise Duty on finished goods is accounted for as and when they are cleared from the factory.

ix) **Customs duty :**

Customs duty on goods lying in custom bonded warehouse is charged in the year of clearance of the goods when it becomes payable.

x) **Modvat/Cenvat :**

Modvat/Cenvat benefit on total purchase is accounted for by reducing the purchase cost of the materials/Fixed assets wherever applicable.

xi) **Contingent Liabilities :**

Contingent Liabilities are disclosed by way of notes to the Accounts.

xii) **Foreign Currency Transaction :**

Foreign Currency Transaction are accounted at exchange rate at the date of transaction. Resultant profit/loss on the settlement of transaction are taken to Profit & Loss Account except exchange difference on the acquisition of fixed assets which are adjusted to the cost of related fixed assets.

xiii) **Direct Taxes**

- A) Provision for current tax and Fringe Benefit Tax (FBT) is made and retained in the accounts on the basis of estimated Tax liability as per the applicable provision of the Income-Tax Act, 1961.
- B) The company has accounted for deferred tax assets and liabilities as per the Accounting Standard 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India.

xiv) **Indirect Taxes**

- A) The liabilities are provided or considered as contingent depending upon the merit of each case and/or on receiving the actual demand from the department.
- B) On implementation of Value Added Tax (VAT) system, VAT Credit/Sales-tax refund receivable have been accounted on accrual basis.

Schedule - T :

Notes On Account :

- 1 Information required by para 3, 4C & 4D of Schedule VI of the Companies Act, 1956.
Particulars of Capacity, Production, Sale, Stocks and Raw Materials Consumed.

A Particulars in respect of Goods manufactured :

Particulars	Unit	Installed		Production	
		2008-09	2007-08	2008-09	2007-08
PVC Compound	MT	32000	19800	30073.757	19692.214
PE Compound	MT	60000	48000	58000.021	48587.385
Scrap	MT	N.A.	N.A.	1209.269	812.975
PVC Sole & Hawai Chappal	Pairs/Kg	8500000	8500000	7355500	7040913

Notes :

- 1) Installed capacity has been certified by Management and not verified by Auditors, being technical matter.

B Particulars in respect of sales of Goods manufactured :

(Rs. in '000')

Particulars	Unit	2008-09		2007-08	
		Quantity	Value	Quantity	Value
PVC Compound	MT	30281.016	1785819	19489.224	1237750
PE Compound	MT	58034.344	4092644	48167.716	3111122
Scrap	MT	1092.529	7650	912.474	5320
PVC Sole & Hawai Chappal	Pairs/Kg	7334110	623473	7038803	602679
Others			157380		106211
Total			6666966		5063082

C Particulars in respect of stock of Goods manufactured (As certified) :

(Rs. in '000')

Particulars	Unit	2008-09		2007-08	
		Quantity	Value	Quantity	Value
Opening Stock					
PVC Compound	MT	461.813	26221	258.823	12078
PE Compound	MT	1022.833	57631	603.164	28860
Scrap	MT	120.085	448	219.584	810
PVC Sole & Hawai Chappal	Pairs/Kg	2110	285	Nil	Nil
Total			84585		41748

Particulars	Unit	2008-09		2007-08	
		Quantity	Value	Quantity	Value
Closing Stock					
PVC Compound	MT	254.663	11622	461.813	26221
PE Compound	MT	988.51	55022	1022.833	57631
Scrap	MT	236.825	1468	120.085	448
PVC Sole & Hawai Chappal	Pairs/Kg	23500	681	2110	285
Total			68793		84585

D Consumption of Raw Materials :

(Rs. in '000')

Particulars	Unit	2008-09		2007-08	
		Quantity	Value	Quantity	Value
PVC Resin	MT	18773.618	669338	16075.918	716769
LLDPE & LDPE	MT	40011.08	2634647	35025.914	2196350
Others			1813223		924964
Total			5117208		3838083

2. Closing Balances of Sundry Debtors & Creditors are subject to confirmation to be obtained from the parties. The company has initiated procedures for obtaining confirmation from such parties.
3. The value of stock of Finished Goods does not include the Excise duty payable on clearance of such goods from the factory. However the non accounting of the same will have no impact on Profit and Loss Account.

4. Auditors Remuneration :

(Rs. in '000')

	2008-09	2007-08
a. Audit Fees	140	120
b. Tax Audit Fees	35	35
	175	155

5. Salary, Wages & Bonus includes Director's Remuneration

(Rs. in '000')

	2008-09	2007-08
i. Salary	840	720
ii Allowances	480	480
	1320	1200

6. In the opinion of Board of Directors and to the best of their knowledge and belief, the value of realisation of Current Assets, Loans & Advances in the ordinary course of business is not less than the amount at which stated in the Balance Sheet.

7. Deferred Tax Liability :

(Rs. in '000')

	As at 31.03.2009	As at 31.03.2008
Diffrence between written down value of block of assets as per Income tax laws and book written down value of the fixed assets	46378	30596
Less : Deferred Tax Assets on account of disallowance u/s 43B of Income Tax Act	1615	1215
Net Deferred tax liability	44763	29381

8. Provision made in these accounts for Current Tax represents Minimum Alternate Tax rate under section 115JB of the Income tax Act, 1961.
9. There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.
10. There are no amount due and outstanding to be credited to Investor Education and Protection fund.

11. Earnings Per Share :

As per Accounting Standard (AS-20) on Earning Per Shares (EPS) issued by the Institute of Chartered Accountants of India, the particulars of EPS for the equity shareholders are as below.

(Rs. in '000')

	2008-09	2007-08
Net Profit after Tax	218515	208737
Number of Equity Share outstanding (Weighted Average) for calculating EPS (in Thousands)	11553	11553
Earning per share (Rs) - Basic & Diluted (Face Value of Rs. 10 per share)	18.91	18.06

12. Disclosure requirement under Revised Accounting Standard 15 on Employee Benefits :**a) Defined Contribution Plan :**

Provision for defined contribution plan viz. Provident and Other Fund amounting to Rs.11.03 Lakhs has been charged to the Profit and Loss Account during the year.

b) Defined Benefit Plans :

Description of type of employee benefits:

The Company offers to its employees defined benefits plans in the form of Gratuity and leave encashment.

No fund is created for payment of gratuity and leave wages and the Company would pay the same out of its own funds as and when the same becomes payable.

c) Amount to be recognised in Balance Sheet

	Year Ended 31.03.2009 (Rs.in thousands)	Year Ended 31.03.2008 (Rs.in thousands)
Present Value of Unfunded Gratuity Obligations	4071	3577
Amount provided in Balance Sheet	4071	3577

d) Gratuity Expenses to be recognised in statement of Profit & Loss Account

	Year Ended 31.03.2009 (Rs.in thousands)	Year Ended 31.03.2008 (Rs.in thousands)
Current Service Cost	649	889
Interest on Defined Benefit Obligation	283	243
Net Actuarial Losses/(Gains) Recognised in year	(368)	(61)
Total, included in "Employee Benefit Expenses"	564	1070

e) Reconciliation of Benefit Obligation & Plan Assets for the period

	Year Ended 31.03.2009 (Rs.in thousands)	Year Ended 31.03.2008 (Rs.in thousands)
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	3577	2507
Current Service Cost	649	889
Interest Cost	283	243
Actuarial (Gain)/Loss	(368)	(61)
Benefits paid	70	Nil
Closing Defined Benefit Obligation	4071	3577
Change in Fair Value of Assets		
Contribution by Employer	NIL	NIL
Benefit paid	NIL	NIL

f) Summary of Principal Actuarial Assumptions

	Year Ended 31.03.2009 (Rs.in thousands)	Year Ended 31.03.2008 (Rs.in thousands)
Discount Rate (p.a.)	8.20%	8.00%
Expected Rate of Return on Assets (p.a.)	0.00%	0.00%
Future Salary Escalation Rate (p.a.)	7.00%	5.00%
Mortality Rate	LIC 1994-96	LIC 1994-96

g) Para 132 of AS 15 (revised 2005) does not require any specific disclosures except where expense resulting from compensated absence is of such size,nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18 and accordingly the expense resulting from compensated absence is not significant and hence no disclosures are prepared under various paragraphs of AS 15 (revised 2005).

13. The Company has contested before the appellate authorities the additional demand in respect of Income tax amounting to Rs.1,21,263/- (Previous Year Rs.1,21,263/-) for the Assessment Year 2002-03.The Company has been advised that there is fair chance of success in the appeal accordingly, no provision has been made in the books of accounts.
- 14 A) Sundry Creditors Includes Rs.3648 thousands being outstanding dues of Small-Scale industrial undertakings,which has been worked out based on the information available with the company with respect to the status of the suppliers.The name of individual small-scale industrial undertaking(s) to whom the company owes in excess of Rs One Lac and more which are outstanding for more than 30 days as at 31st March, 2009 are as follows : (Rs in thousands)

Name of the Supplier	As at 31st March, 2009
Arihant Dye Chem Pvt. Ltd.	184
Gaurav Packaging	1772
Lalitha Chem Industries Pvt. Ltd.	193

Note : The above information regarding small scale industrial undertakings have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

- B) Under the Micro, Small and Medium Enterprise Development Act, 2006, which came into effects on October 2, 2006, certain disclosures are required to be made relating to Micro, Medium and Small Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosure have been made in account.
15. Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for Rs.26 lakhs. (Previous Year Rs.80.00 Lakhs)
16. National Saving Certificates and Kisan Vikas Patra and Fixed Deposits disclosed as Deposit under the head Cash and Bank Balances have been lodged with various authorities as Margin Deposit and Security Money.
17. a) Advances recoverable in cash or in kind Includes Rs.2 lakhs (Previous Year Rs.2 lakhs) being amount deposited with CEGAT under Protest.The Company has filed an appeal with the appellate authorities and is advised that the demand raised is not in accordance with the law.No provision has been made in the books of accounts as the company is confident to get the desired relief in appeal proceeding.
- b) Advance recoverable in cash or in kind includes Rs.80 lakhs deposited during the previous year with excise authority against which no demand has been raised by department, the Company is of the opinion that demand if any raised will be disputed by the Company. Therefore no provision has been made in the books of accounts during the year under review.
18. Previous Year figures have been regrouped/ rearranged wherever found necessary.

19. Capital Work-in-Progress including expenditure during construction period : (Rs. in '000')

	2008-09	2007-08
A. Plant & machinery	13620	1534
B. Building	12820	0
C. Expenditure during Construction period		
Consultancy Charges	5758	0
Travelling Expenses	387	0
Lease Rent	55	0
Electricity Charges	24	0
Miscellaneous Expenses	334	0
	6557	0
	32997	1534

20. Interest Includes Interest on Term Loan Rs.16626 thousands (Previous year Rs. 21366 thousand).

21. Contingent Liabilities not provided for in respect of : (Rs. in '000')

	2008-09	2007-08
i) Letter of Credit	500788	220481
ii) Bank Guarantee	25070	26220
iii) Excise duty demands pending in appeal with CEGAT	1330	1330
iv) Penalty Levied by Excise Authorities	1605	1605
v) Income Tax Demand under appeal, not provided for	121	121

22. Value of Imports calculated on CIF Basis : (Rs. in '000')

	2008-09	2007-08
Raw Materials	1163909	1134887
Capital Goods	17362	40041
Store & Spares	305	730

23. Value of Imported Consumable and Indegenous Stores and Spare Parts consumed. (Excluding Charged to other revenue heads) (Rs. in '000')

	2008-09		2007-08	
	Rs.	% of Total Consumption	Rs.	% of Total Consumption
i) Imported	500	4.86	730	11.08
ii) Indigenous	9780	95.14	5861	88.92
	10280	100	6591	100
Value of consumption of Raw Materials				
i) Imported	969147	18.94	1134887	29.57
ii) Indigenous	4148061	81.06	2703196	70.43
	5117208	100	3838083	100

24. Expenditure in Foreign Currency Travelling

Travelling	3554	3993
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25. Earning in Foreign Exchange :

Export of goods calculated on FOB Value	275040	*1115539
Exchange Fluctuation (Loss)	(31459)	21709

* Includes deemed export of Rs.853926 (thousands)

26. Remittance in Foreign Currency as advance	4605	809
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27. Segment Reporting (AS-17)

a) Primary Segment (by Business Segment) :

Based on the guiding Principles given in the Accounting Standard on Segment Reporting (AS- 17) the company is primarily in the business of manufacture and sale of XLPE and PVC compound which mainly have similar risk and returns.

b) Secondary segment (by Geographical demarcation)

i) The Secondary Segment is based on geographical demarcation i.e.in India and outside India.

ii) Information about secondary segment are as follows :

(Rs. in '000')

Particulars	2008-09			2007-08		
	In India	Outside India	Total	In India	Outside India	Total
Segment Revenue (gross)	6391926	275040	6666966	3947543	1115539	5063082

28. Related Party Disclosure :

The disclosure of transactions with related parties as described in Accounting Standard - 18 on "Related Parties Disclosure " issued by the Institute of Chartered Accountants of India are given below :

(Rs. in '000')

Name of Related Party	Description of Relationship	Nature of Transaction	Transaction for the year ended 31.03.2009	Outstanding As on 31.03.2009
Sri N.S.Surana	Managing Director	Remuneration	1320 (1200)	Nil (Nil)
Ms. Rajni Surana	Relative of Managing Director	Travelling & Others for Training	411 (1573)	Nil (Nil)
Alkom Speciality Compounds Limited	Common Key Management Person	Sale of Goods	49460 (Nil)	23198 (Nil)
		Purchase of Finished Goods	4419 (Nil)	Nil (Nil)
		Sale of Machinery	12402 (Nil)	Nil (Nil)
		Advance Agst Goods	109295 (Nil)	21942 (Nil)

The related party relationship is identified by the company and relied upon it by the auditors. Previous Years figures given in brackets

29. Name of the Company had been changed from Kalpana Industries Limited to Kalpena Industries Limited w.e.f.14.10.2008 with the approval of Govt. of India,Department of Company Affairs vide SRN A45965480 dated 14.10.2008.

As per report attached

For **D. C. Dharewa & co.**
Chartered Accountants

D. C. Dharewa
Proprietor
Membership No.53838

Place : Kolkata
Date : 27th Day of June 2009

For and on behalf of the Board

D.C. Surana - Chairman
N.S. Surana - Managing Director
P. Ghosh - Director
N. Guha - Director
M.K. Jain - Company Secretary

PART - IV
BALANCE SHEET ABSTRACT AND COMPANIES BUSINESS PROFILE FOR THE YEAR ENDED 31.03.2009

i) Registration details :

Registration No. : L19202 WB 1985 PLC 039431
 State Code : 21

Balance Sheet As on 31st March, 2009**ii) Capital Raised During the Year (Amount in Rs.'000')**

Public Issue NIL
 Bonus Issue NIL
 Right Issue NIL
 Private Issue NIL

iii) Position of mobilisation of Fund (Amount in Rs. '000')

Total Liabilities	1977077	Total Assets	1977077
<u>Sources of Funds :</u>			
Paid up Capital	115536	Reserve & Surplus	600283
Secured Loans	789543	Unsecured Loan	426952
Deferred Tax Liabilities	44763		
<u>Application of Fund :</u>			
Net Fixed Assets	549623	Investment	882
Net Current Assets	1426572	Misc.Expenditure	0

iv) Performance of Company (Amount in Rs.'000')

Turnover	6041097	Total Expenditure	5776050
Profit before tax	265047	Profit after tax	218515
Earning Per Share	18.91	Dividend Rs.per share	2.00

v) Generic Names of Products/Services of Company

(As per monetary terms)

Item Code No. (ITC Code)	3904-2290	Product Description	Manufacturing of PVC Compound
Item Code No. (ITC Code)	3901-9090	Product Description	Manufacturing of XLPE Compound
Item Code No. (ITC Code)	6401-1090	Product Description	Hawai Chappal
Item Code No. (ITC Code)	6406-9990	Product Description	PVC Sole (Part of Hawai Chappal)

For **D.C.Dharewa & co.**
Chartered Accountants

D. C. Dharewa
Proprietor
Membership No.53838

Place : Kolkata
Date : 27th Day of June 2009

For and on behalf on the Board

D.C. Surana -- Chairman
N.S. Surana -- Managing Director
P. Ghosh -- Director
N. Guha -- Director
M.K. Jain -- Company Secretary

ECS MANDATE FORM

To
SK Computers
 (Unit : Kalpena Industries Ltd.)
 34/1A, Sudhir Chatterjee Street
 Kolkata - 700 006
 Phone : (033) 22194815/6797

Re : Payment of dividend

PLEASE TICK ONE (√)

- I wish to participate in the Electronic Clearing Service (ECS) introduced by Reserve Bank of India.
- I do not wish to participate in the ECS. However, kindly print the bank particulars given below on the dividend warrant being send to me.

1. Name of the Holder (IN BLOCK LETTER) : _____

2. Ref. Folio No. : _____

3. Particulars of Bank : _____

a. Bank Name : _____

b. Branch & Address : _____

c. 9 digit MICR Code as appearing in the
 Cheque book issued by the Bank.
 (Please attach a photocopy or blank
 cancelled cheque issued by your bank relating to your above account for verifying accuracy of the code no.)

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d. Account type (please tick) : Savings Current Cash Credit

e. Ledger Folio No. (If any)
 of your bank : _____

f. Account No. : _____

I hereby declare that the particulars above given are correct and complete. I undertake to inform any subsequent changes in my above particulars before the relevant book closure dates. If the payment is delayed or not effected at all for any reason (s) beyond the control of the Company, I would not hold the Company responsible.

Place : _____

Date : _____

 Signature of the first holder

Notes:

- Please ensure that the details submitted by you are correct as any error therein could result in the dividend payment to be credited to wrong account.
- Attach a Xerox copy of cheque or blank cancelled cheque of your bank for ensuring accuracy of the banks name, branch and code number.
- The Nine digit code number of your bank and branch is mentioned on the MICR band next to the cheque number.
- Members desirous to participate in ECS / to get bank particulars printed in the dividend warrant are requested to complete this form and send to Registrar at the above mentioned address on or before 07th September , 2009.
- Member should note that ECS instructions will supersede the instructions regarding Bank details given by the members earlier.

TEAR HERE

