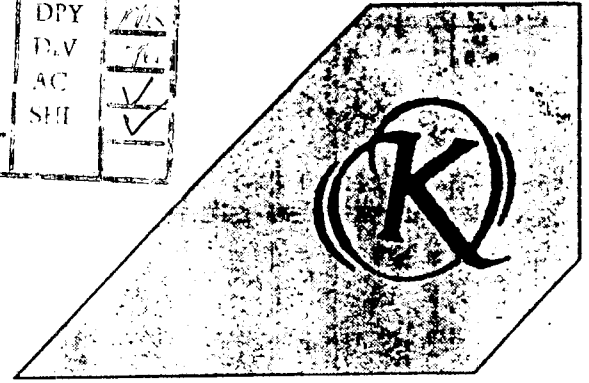


MD			BKC	
CS	/		DPY	/
RO	/		DLV	/
TRA	/		AC	/
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YE	/	/		/



COMPOUND GROWTH, SINGULAR SUCCESS.....

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**12th
Annual
Report
1996—97**

Kalpana Industries Limited

BOARD OF DIRECTORS

Mr. D. C. Surana, Chairman
Mr. S. K. Surana
Mr. N. K. Surana
Dr. P. Ghosh

COMPANY SECRETARY

Jitendra Tiwari

REGISTERED OFFICE

3, Saheed Nityananda Saha Sarani
Calcutta - 700 001

BANKERS

Dena Bank
ANZ Grindlays Bank

AUDITORS

Raj Kumar Kothari & Co.
Chartered Accountants
32, Ezra Street
Calcutta - 700 001

WORKS

1. 653/1/43, Somnath Co-operative Industrial Society Ltd.
Somnath Road,
P. O. Dabhel
Daman - 396210
2. Survey No. 168, Plot No. 151-158
Dabhel Industrial Co-operative Ltd.
Debhel, Daman - 396210

BOMBAY OFFICE

Neelkanth Commercial Centre
Sahar Road
Andheri (East)
Bombay - 400 099

SHARE TRANSFER AGENTS

AMI Computers (I) Ltd.
60A & 60B, Chowringhee Road,
Calcutta - 700 020

KALPANA INDUSTRIES LIMITED**NOTICE :-**

Notice is hereby given that the Twelveth Annual General Meeting of the Members of Kalpana Industries Limited will be held at AMI Computers (I) Ltd., 60A & 60B, Chowringhee Road, Calcutta - 700 020 on Saturday, the 27th September, 1997 at 9-30 a.m. to transact the following business :

01. To consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended as at that date together with the Report of the Directors and Auditors thereon.
02. To appoint a Director in place of Dr. P. Ghosh who retires by rotation, and being eligible, offers himself for re-appointment.
03. To appoint Auditors and to fix their remuneration.

Place : Calcutta
Date : 24-07-1997

BY ORDER OF THE BOARD
for KALPANA INDUSTRIES LIMITED
J. TIWARI
COMPANY SECRETARY

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. 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 THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 16th September, 1997 to Saturday, the 27th September, 1997 (both days inclusive)
3. The Members are required to notify the change in their address, if any, to the Company immediately.
4. Member desiring any information on the Accounts are requested to write to the Company at least 10 days prior to the date of the Meeting to enable the Management to keep the information ready.
5. Members are requested to bring their copy of the Annual Report at the Meeting.

Place : Calcutta
Date : 24-07-1997

BY ORDER OF THE BOARD
for KALPANA INDUSTRIES LIMITED
J. TIWARI
COMPANY SECRETARY

KALPANA INDUSTRIES LIMITED**DIRECTORS REPORT**

TO

The Shareholders,

The Directors have pleasure in presenting their 12th Annual Report and the Audited Statement of accounts for the year ended 31st March, 1997.

1. Financial Results :

	<i>Rs. in lacs</i>	
	1997	1996
The Financial Results of the Company are Summarised below :		
Profit before depreciation & interest	279.09	115.85
Interest	85.40	65.94
Profit after interest	193.69	49.91
Depreciation	53.67	7.52
Profit before Tax	140.02	42.39
Provision for Tax	--	(8.20)
Prior Period item/Short Provision for Tax for earlier year	1.34	(0.79)
Profit after tax	138.68	33.40
Add : Balance B/F from the previous year	61.48	28.08
Profit available for appropriation	200.16	61.48
Propose Dividend	--	--
Balance Carried to Balance Sheet	200.16	61.48

2. DIVIDEND

The Company at present has been going through the crucial phase of expansion. Therefore, Directors wish to plough back the available profit for the said purpose and hence do not recommend payment of dividend for the year under review.

3. OPERATION :

Your Company recorded a turnover of rs. 2707.59 lacs for the year ended 31st March, 1997 as compared to Rs. 2637.49 lacs in the previous year. Profit after tax stands at Rs. 138.68 lacs for the year ended 31st March, 1997 as compared to Rs. 33.40 lacs in the previous year.

Though the XLPE Plant of your company commenced production during the year under review due to adverse marketing condition, your company had to stop XLPE compound production for the time being. Moreover, the international prices of XLPE compound has come down so drastically that if the company produces XLPE compound, its operation will not be viable. Hence in the interest of the company and its share holders your directors have decided not to produce XLPE compound for the time being. Your company has been trying to produce certain other product mix. and has made significant headway in this direction largely due to the efforts of its R & D department.

KALPANA INDUSTRIES LIMITED**4. FUTURE PROSPECTS :**

Your Directors are hopeful that the current year will show marked improvement in production, turnover and profitability of your Company. Marketing network has already been geared up.

5. PUBLIC DEPOSITS :

Your Company has not accepted any public deposits during the year under review.

6. INDUSTRIAL RELATIONS :

Your Company had harmonious industrial relations at all levels of organisation. Your Directors wish to place on record the maximum co-operation extended by the employees in maintaining congenial working atmosphere.

7. AUDITORS REPORT :

The Report of the Auditors pertaining to the Accounts for the year ended 31st March, 1997 are self-explanatory and, therefore, do not warrant any comments.

8. DIRECTORS :

Pursuant to section 256 of the Companies Act, 1956 read with Article No. 100 of the Articles of Association of the Company, Dr. P. Ghosh retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. K. L. Jain has resigned from the Board of Directors of the Company due to personal reasons. Your Directors wish to place on record their appreciation of the valuable guidance and services rendered by him during his tenure in office.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGOINGS :

The particulars relating to conservation of energy, technology absorption and foreign exchange earning and out go as required under section 217(1) (e) of the Companies Act, 1956 are enclosed as part of the Report.

10. PARTICULARS OF EMPLOYEES :

None of the employees employed throughout the year or part of the year was in receipt of remuneration the aggregate of which exceeds the limit as prescribed under 217 (2A) of the Companies Act, 1956 for disclosure in the Report of Board of Directors.

11. ACKNOWLEDGEMENT :

Your Directors are grateful to the Company's Bankers, Financial Institutions and also to the Central and State Governments for their continued support. Your Directors are particularly grateful to you for your unstinted support.

Your Directors also wish to place on record their appreciation of the hard work and dedication of the employees at all levels.

For and on behalf of the Board of Directors

D. C. SURANA
CHAIRMAN

Place : Calcutta
Date : 24.07.1997

KALPANA INDUSTRIES LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

(Under Section 217(1) (e) of the Companies Act, 1956)

Disclosure with respect to Technology Absorption, Conservation of Energy, Foreign Exchange Earnings and outgo :

FORM A**A. CONSERVATION OF ENERGY :**

Total energy consumption and energy per unit of production :

1. Power and Fuel Consumption :		Current Year	Previous Year
1. Electricity			
a) Purchased			
Unit	KWH	999275	726000
Total Amount Rs.		1922055	1102763
Rate/Unit (Average)	Rs. /KWH	1.92	1.52
b) Own Generation	NIL	NIL	NIL
(Through Diesel Generator)			
2. Coal		NIL	NIL
3. Furnace Oil		NIL	NIL
4. Other/Internal Generation	NIL	NIL	NIL
2. Consumption Per Unit of Production :			
1. Net Saleable Production :			
PVC Compounds	Kgs.	4227335	5057181
Electricity	KWH/Ton	236.38	143.55

FORM B**B. TECHNOLOGY ASBORPTION :****1. Research & Development**

a) Specific areas in which R & D is carried out by the Company :

- Technology Support/Upgradation
- New Product Development
- Energy Conservation

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

- Efficiency and yield improvement, loss reduction and modernisation programme.
- Developments of various grades of PVC Compounds to meet changing markets needs

KALPANA INDUSTRIES LIMITED

c) Future Plan of Action :

The R & D Centre has undertaken development of various grade of PVC Compounds to meet the changing market conditions.

d) Expenditure on R & D :

	Rs. in lacs	
	Current year	Previous Year
Capital	60.53	37.65
Recurring	1.01	0.89
Total R & D Expenditure	61.54	38.54
as per percentage of total turnover	2%	1.46%

2. Technology Absorption, Adoption and Innovation :

- Efforts, in brief, made towards technology absorption, adoption and innovation as enumerated in section 1 above.
- Benefits derived as a result of the above efforts.
New products are being developed for Polymer mixing by upgradation and updation of technology.
- Information in case of imported technology (imported during the last 6 years reckoned from Technology imported NIL)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- 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 in global market. Effective steps have been taken this regards and Company is receiving good response of its efforts.

- Total Foreign Exchange used and earned :

	Rs. in lacs	
	Current year	Previous year
Total Foreign Exchange earned	4.87	4.17
Total Foreign Exchange used	43.80	82.58

For and on behalf of the Board of Directors
D. C. SURANA
CHAIRMAN

Place : Calcutta
Date : 24.07.1997