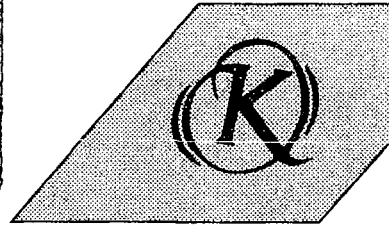


COMPOUND GROWTH, SINGULAR SUCCESS

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		VIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		



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1997-98

KALPANA INDUSTRIES LIMITED

KALPANA INDUSTRIES LTD.

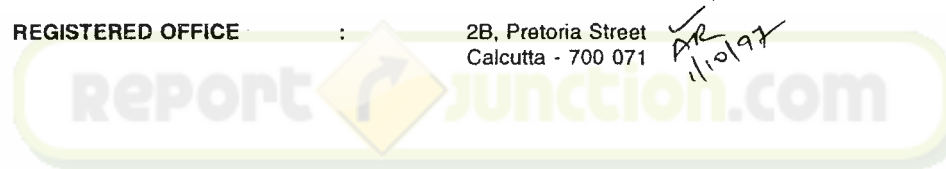
BOARD OF DIRECTORS : Mr. D. C. Surana, *Chairman*
Mr. S. K. Surana
Mr. N. K. Surana
Dr. P. Ghosh

COMPANY SECRETARY : Mr. Jitendra Tiwari

AUDITORS : M/s. Raj Kumar Kothari & Co.
Chartered Accountants
32, Ezra Street
Calcutta 700 001

BANKERS : Dena Bank

REGISTERED OFFICE : 2B, Pretoria Street
Calcutta - 700 071



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.
Dabhel, Daman 396210

MUMBAI OFFICE : D-403, Dharam Palace
Shantivan, Near National Park
Borivili (E), Mumbai 400 066

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

KALPANA INDUSTRIES LTD.**NOTICE**

NOTICE is hereby given that the Thirteenth 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 26th December, 1998 at 10.00 a.m. to transact the following business :-

1. To consider and adopt the Balance Sheet for the 15 months period ended 30th June, 1998 and the Profit and Loss Account for the period ended as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. N. K. Surana, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD
FOR KALPANA INDUSTRIES LIMITED

Place : Calcutta
Date : 08.10.1998

J. TIWARI

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 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 shall remain closed from Saturday, the 19th December, 1998 to Saturday, the 26th December, 1998 (both days inclusive).
3. The Members are requested to notify the change in their address, if any, to the Company immediately.
4. Members 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.

KALPANA INDUSTRIES LTD.**DIRECTORS' REPORT****TO****THE SHAREHOLDERS**

The Directors have pleasure in presenting their 13th Annual Report and the Audited Statement of accounts for the 15 months period ended 30th June, 1998.

1. Financial Results

	15 months period ended 30-06-1998	Rs.in lacs Year ended 31-03-1997
The Financial Results of the Company are summarised below :		
Profit before Depreciation & Interest	355.67	279.09
Interest	107.73	85.40
Profit after interest	247.94	193.69
Depreciation	96.84	53.67
Profit before Tax	151.10	140.02
Provision for Tax	—	—
Prior period item/Short Provision for Tax for earlier year	—	1.34
Profit after Tax	151.10	138.68
Add : Balance B/F from the previous year	200.16	61.48
Profit available for apropration	351.26	200.16
Proposed Dividend	—	—
Balance Carried to Balance Sheet	351.26	200.16

2. Dividend

In order to plough back the entire profit available for appropriation, to meet the ambitious expansion programmes, the Directors do not recommend for payment of any dividend in respect of 15 months period ended 30th June, 1998.

3. Operation

Your Company recorded a turnover of Rs.3167.84 lacs for the 15 months period ended 30th June, 1998 as compared to Rs.2707.59 lacs in the previous year. Profit after tax stands at Rs.151.10 lacs for the 15 months period ended 30th June, 1998 as compared to Rs.138.68 lacs in the previous year.

The XLPE Plant of your Company has already commenced production as already reported by the Directors in the last Directors' Report. However, the production has not yet stabilised. It is the earnest effort of your Directors to increase the production of XLPE Plant from 40 M.T. per month to 150 M.T. per month by the end of 31st March, 1999.

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.

KALPANA INDUSTRIES LTD.**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 15 months period ended 30th June, 1998 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, Mr. N. K. Surana retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

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 outgo 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 : 08-10-1998

KALPANA INDUSTRIES LTD.**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	1586750	999275
Total Amount Rs.		3791068	1922055
Rate/Unit (Average)	Rs./KWH	2.39	1.92
b) Own Generation	KWH	19208	NIL
(Through Diesel Generator)			
Total Amount Rs.		118335	NIL
Rate/Unit (Average)	Rs./KWH	6.16	NIL
2. Coal		NIL	NIL
3. Furnace Oil		NIL	NIL
4. Other/Internal Generation		NIL	NIL
2. CONSUMPTION PER UNIT OF PRODUCTION :			
1. Net Saleable Production :			
PVC/PE Compounds	Kgs.	5673950	4227335
Electricity	KWH/Ton	279.65	236.38

FORM B**B. Technology Absorption :****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 LTD.

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	1.45	60.53
Recurring	1.38	1.01
Total R & D Expenditure	2.83	61.54
as a percentage of total turnover	.09%	2%

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 5 years reckoned from the beginning of the financial year. 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 in this regard and Company is receiving good response to its efforts.

- Total Foreign Exchange used and earned :

	Rs. in lacs	
	Current year	Previous year
Total Foreign Exchange earned	0.81	4.87
Total Foreign Exchange used	17.03	43.80

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

Place : Calcutta
Date : 08.10.1998