



KALPANA INDUSTRIES LIMITED

17TH ANNUAL REPORT
2001-2002

Report  junction.com

COMPOUND GROWTH, MULTIPLIER SUCCESS.....
974 844 2662

BOARD OF DIRECTORS	:	Mr. D. C. Surana, Chairman Mr. N. K. Surana Mr. Nirmalendu Guha Dr. P. Ghosh
COMPANY SECRETARY	:	Mr. Manoj Kumar Jain
AUDITORS	:	M/s R. K. Parakh & Associates Chartered Accountants 8, Ganesh Chandra Avenue Kolkata - 700 013
BANKERS	:	Dena Bank
REGISTERED OFFICE	:	114/5, Hazra Road Kolkata - 700 026
WORKS	:	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 Kolkata - 700 020

**NOTICE**

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of KALPANA INDUSTRIES LIMITED will be held at its Registered Office at 114/5, Hazra Road, Kolkata - 700 026 on Saturday, the 10th day of August, 2002 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended as on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri D.C. Surana, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Shri Nirmalendu Guha who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, the Company hereby approves the appointment and payment of remuneration to Shri Narendra Kumar Surana as a Whole time Director of the Company designated as "Managing Director" for a period of five years with effect from 1st August, 2002 upon terms and conditions set out in the draft Agreement to be entered into between the Company and Shri N.K. Surana, a copy whereof initialled by the Chairman for the purpose of identification has been placed before the meeting, which draft Agreement is hereby specifically approved."

"RESOLVED FURTHER THAT the Remuneration Committee of the Company be and is hereby authorised to vary and increase remuneration and perquisites thereof as specified in the said draft Agreement to the extent the Remuneration Committee may consider appropriate, as may be permitted or authorised in accordance with any provisions under the said Act for the time being in force provided, however, that the remuneration and perquisites to be provided to Shri N.K. Surana shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification or statutory re-enactments thereof and/or any rules or regulations framed thereunder and for the time being in force and the terms of this aforesaid Agreement between the company and Shri N.K. Surana shall be suitably modified to give effect to such variations or increase as the case may be, without further reference to shareholders at the General Meeting."

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, in the event of loss or inadequacy of profits in any financial year of the company during the term of office of Shri N.K. Surana as "Managing Director" the remuneration and perquisites set out in the aforesaid draft agreement be paid or granted to Shri N.K. Surana as minimum remuneration and perquisites even if it exceeds the ceiling provided in Section II of Part II of Schedule XIII to the said Act"

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



KALPANA INDUSTRIES LIMITED

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), the Articles of Association of the company be and are hereby altered in the manner and to the extent set out below:

- (1) The following definitions are added and inserted after the existing definition "Wholesale Director" in Article 1:

"Depositories Act" shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force."

"Beneficial Owner" shall have the meaning assigned thereto by Section 2(1)(a), of the Depositories Act."

"Depository" shall have the meaning assigned thereto by Section 2(1) (e) of the Depositories Act."

"Securities & Exchange Board of India" means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992."

"Member" means the duly registered holder from time to time of the shares of the company of any class and includes the subscriber(s) of the Memorandum of the company and every person whose name is entered as the beneficial owner of any share in the records of Depository but doesn't include the bearer of a share warrant of the company, if any, issued."

- (2) The existing Article 3 be and is substituted with the following Article :

Power of Company to

Purchase its own Securities'

: "3

Notwithstanding anything contained in these Articles but subject to provisions of Sections 77A and 77B of the Act, the company may purchase its own shares or other specified securities (hereinafter referred to "buy-back") out of -

a. its free reserves ; or

b. the securities premium account; or

c. the proceeds of any shares or other specified securities

in accordance with the provisions of Sections 77A and 77B and Rules prescribed by the Central Government and/or by Securities & Exchange Board of India in this behalf."

- (3) The existing Article 12 be and is substituted with the following Article :

Trusts not
recognised'

: "12

Save as herein otherwise provided, the company shall be entitled to treat the person whose name(s) appears on the Register of Members/ Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares /debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decide to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them."

- (4) The following new Articles be and are inserted as Articles 12A, 12B, 12C, 12D and 12E after Article 12:

'The Company to recognize under

Depositories Act, interest in the

Securities other than that of

Registered holders'

: "12A

The company or the investor may exercise and deal in, hold the securities (including shares) with the Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event



KALPANA INDUSTRIES LIMITED

the right and obligations of the parties concerned and matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act."

'Power to Company to dematerialise & rematerialise'

: "12B

The Company shall be entitled to dematerialise its existing shares, debentures and other securities and rematerialise its such shares, debentures and other securities held by it with the Depository and/or offer its fresh shares and debentures and other securities in a dematerialised form pursuant to the Depositories Act and the Rules framed thereunder, if any."

Option for Depositors'

: "12C

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities."

'Securities in Depositories and Beneficial Owner'

: "12D

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners."

Rights of Depositories and Beneficial Owner'

: "12E

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities attached to such of his securities which are held by a Depository.

(5) The new Article be and is inserted as Article 14A after Article 14 :

'Intimation to Depository'

: "14A

Notwithstanding anything contained in this Article, where securities are dealt with in a Depository the company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities."

(6) The following new Articles be and are added and inserted as Article 46A and Article 46B after Article 46 :

'Nomination'

: "46A

(a) Every shareholder or debenture holder of the Company, may, at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.



KALPANA INDUSTRIES LIMITED

- (b) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholder or debenture holder or as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (d) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority."

Option on
nominee'

: "46B

- (i) A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -
 - a) to register himself as holder of the share or debenture, as the case may be ; or
 - b) to make such transfer of the Shares and/or debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (ii) If the nominee elects to be registered as holder of the shares or debentures, himself , as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
- (iii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares or debentures, until the requirements of the notice have been complied with."

- (7) The following new Article be and is inserted as Article 145A after Article 145:

'Transfer of Unpaid/
Unclaimed Dividend'

: "145A

Any amount transferred to unpaid dividend account of the company in pursuance of Section 205A of the Act, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be



KALPANA INDUSTRIES LIMITED

transferred by the Company to the fund established under Sub-section (1) of Section 205C."

- (8) The following new Article be and is added and inserted as 148A after Article 148 :

'Adoption of
Accounting Standard'

: "148A

- (i) Every Profit & Loss Account and Balance Sheet of the Company shall comply with the Accounting Standard recommended by Institute of Chartered Accountants of India and prescribed by the Central Govt.
- (ii) Where the Profit & Loss Account and the Balance Sheet of the company do not comply with the Accounting Standard, it should disclose in its Profit & Loss Account and Balance Sheet, namely :
 - a) the deviation from Accounting Standards;
 - b) the reasons for such deviation; and
 - c) the financial effect, if any, arising due to such deviation.

- (9) The following new Article be and is added and inserted as Article 75A after Article 75.

'Passing of resolution
by Postal ballot'.

: "75A

Notwithstanding anything contained in the Articles of Association of the company, the company do adopt the mode of passing a resolution by the members of the company by means of a postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters :

Instead of transacting such business in a general meeting of the company:

- any business that can be transacted by the company in general meeting; and
- particularly, resolutions relating to such business as the Central Government may by notification, declare to be conducted only by postal ballot.

The company shall comply with the procedure for such postal ballot and/or other ways prescribed by the Central Government in this regard."

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

"RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Objects Clause of the Memorandum of Association of the Company be and is hereby altered with the insertion of III A(2) after III A(1) of the Main objects as mentioned below :

'III A(2)' "To carry on business of manufacturers, processors, assemblers, traders, dealers, wholesalers, retailers, distributors, stockists, buyers, sellers, representatives, exporters, importers, agents, merchants in all kinds of imitation, jarigoods, metallic yarns, laces, ribbons, borders, buttons, tapes, woven tapes, woven lavers, patches, motives, knitting fabrics, garment accessories, embroidery materials, dress materials, cotton mesh, elastics, fancy paper and cloth, bronze powder etc."

By order of the Board

Kolkata
the 8th day of June, 2002

Manoj Kumar Jain
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 4 to 7 as set out above are annexed hereto. All the documents pertaining to these items are available for inspection by the members at the registered office of the company between 10 A.M. and 12 noon on all working days up to the date of the 17th Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the company shall remain closed from Saturday, 3rd August, 2002 to Saturday, 10th August, 2002 (both days inclusive).
4. Members are requested to notify the change in their address, if any, to the Company immediately.
5. Members are requested to bring their copy of the Annual Report with them at the Meeting.
6. Members who are interested in making nominations may please write to the Company's Registrar & Transfer Agent or to the Registered office of the Company for nomination forms.
7. The Company's Equity Shares are listed on :
 - a. The Calcutta Stock Exchange Association Ltd.,
7, Lyons Range,
Kolkata - 700 001
 - b. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
 - c. The Delhi Stock Exchange Association Ltd.,
DSE House,
3/1, Asaf Ali Road,
New Delhi - 110 002
 - d. The Hyderabad Stock Exchange,
3-6-275, Himayatnagar,
Hyderabad - 500 029,
A.P.
 - e. The Stock Exchange, Ahmedabad
Opp: Sahajanand College,
Panjarapole,
Ahmedabad - 380 015

The Company has paid the Annual Listing fees for the year 2002-03 to the aforesaid Stock Exchanges.

8. Resolution regarding alteration of the Objects Clause of the Memorandum & Articles of Association requires consent of the shareholders through the Postal Ballot. A Postal Ballot Form together with self-addressed envelope is enclosed for this purpose. Duly completed Postal Ballot Form should reach the company not later than the close of working hours on Saturday the 3rd August 2002. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

The Board of Directors of the Company appointed Shri Nirmalendu Guha as an Additional Director of the Company with effect from 11th May, 2002 pursuant to Article 103 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956 read with Article 103 of the Articles of Association of the Company, Shri Nirmalendu Guha will hold office of Additional Director upto the date of the forthcoming Annual General Meeting. The Company has received notice in writing from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Nirmalendu Guha for appointment as Director of the Company. Consent in writing has been received from Shri Nirmalendu Guha to act as the Director of the Company, if appointed.

Mr. Nirmalendu Guha aged 70 years has done his engineering education in U.K. apart from India. To name a few of his qualifications, he has done M.Tech (P.Eng & Mgt.), C.Eng. FIE (India), FI Plant E (U.K.), Hon FPIE, MMGI etc. He has also been the National President of the Indian Institute of Plant Engineers, Vice President of Asian Federation of National Maintenance Society, Tokyo, Member of Academic Development Board, Jawaharlal Nehru Technological University, National Institute for Industrial Engg. etc. He has held very senior & Prestigious position in wide variety of Industry and business and possesses wide experience of more than 47 years in all types of company affairs. The Board considers that having regard to his wide knowledge and rich experience, it will be in the interest of the Company to appoint Shri Nirmalendu Guha as a Director of the Company.

Except Shri Nirmalendu Guha no other Director is in any way, concerned or interested in the resolution set out at Item No. 4.

The Directors recommend the resolution set out at Item No. 4 of the Notice for approval of the Shareholders.

Item No. 5

Shri.Narendra Kumar Surana is an industrialist. After completing his B.Com(H) and L.L.B both from Calcutta University, he has also done M.B.A. (correspondence course) from Harvard University. He has very good exposure in various projects and operational matters in the PVC Compound Industry. It is because of his able leadership, the company has made steady progress over the years.

Keeping in view of his rich experience and expertise, the Remuneration Committee at its meeting held on 13th May, 2002 approved the appointment and payment of remuneration to Shri N.K. Surana as Whole time Director of Company designated as "Managing Director" for a period of five years with effect from 1st August, 2002 subject to the approval of the shareholders on the remuneration and terms and conditions contained in the draft agreement proposed to be entered into between the company and Shri N.K. Surana in respect of minimum remuneration in the event of loss or inadequate profits.

The Remuneration Committee further noted the compliance of all the conditions as required by the recent amendments in the Schedule XIII to the Act.

The said draft Agreement, inter-alia, contains the following terms and conditions :

1. **Gross Salary** : Rs. 1,00,000/- (Rupees One lakh only) per month in the scale (1,00,000-10,000-150,000).

The Annual increments will be effective 1st April each year, will be decided by the Remuneration Committee and will be merit-based.

2. **Perquisites and Allowances** :

- (i) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) and mobile telephone shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (ii) Provision for use of Credit Card for official duties shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
- (iii) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.



KALPANA INDUSTRIES LIMITED

3. Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above as minimum remuneration.

4. The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Remuneration Committee as it may, in its discretion deem fit, within the maximum amount payable to Whole-time director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.
5. In the event of any statutory amendment, modification and /or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Remuneration Committee shall have the authority to vary or increase the remuneration including salary, commission, perquisites, allowances, etc and acceptable to the Managing Director, within such prescribed limit or ceiling and accordingly this Agreement may be suitably amended to give effect to such modification, relaxation or variation without further reference to the shareholders of the Company in General Meeting. The Agreement may be terminated by either party giving the other party three month's notice or the Company paying three month's salary in lieu thereof.

The draft Agreement to be entered into between the Company and Shri Narendra Kumar Surana is available for inspection at the Registered Office of the Company on any working day up to the date of the 17th Annual General Meeting between 11.00 A.M. and 1.00 P.M. and also at the meeting.

The above may be treated as an abstract of the terms of contract/appointment between the Company and Shri Narendra Kumar Surana under Section 302 of the Companies Act, 1956.

Shri Narendra Kumar Surana is deemed to be concerned or interested in the resolution, which pertains to his appointment and remuneration payable to him. Shri D.C. Surana, father of Shri. N.K. Surana may also be considered interested in the resolution. None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

The directors recommend the resolution set out at Item No. 5 of the Notice for approval of the Shareholders.

Item No. 6

In view of various amendments/additions in the Companies Act, 1956, SEBI Guidelines and other laws in connection with buy back of Shares/Debentures, nomination by the shareholders/debenture holders of the company, depositories relating to dematerialisation of shares and trading therein etc the Articles of Association of the Company would required to be amended in the manner, mentioned in Item No.6 above, to fall in line with such amended/new legislation .

None of the Directors are in any way concerned or interested in the resolution set out at Item No.6

The Directors recommend the resolution set out at Item No.6 of the Notice for approval of the shareholders.

Item No. 7

The business of embroidery of fabrics to be more specific is proposed to inserted as III (A)(2) in the Main objects for the reasons mentioned in Section 17(1)(a) and 17(1) (d) of the companies Act, 1956 which is already covered by III(C)(1) (a) of the Memorandum of Association.

The Special Resolution requires the approval of the shareholders through the Postal Ballot pursuant to the Companies (passing of the resolution by Postal ballot) Rules'2001. A Postal Ballot Form together with self-addressed envelope is enclosed for this purpose. Duly completed Postal Ballot Form should reach the company not later than the close of working hours on Saturday' the 3rd August'2002. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.

None of the directors are in any way, concerned or interested in the resolution set out at Item No. 7.

The Directors recommend the resolution set out at Item No. 7 of the Notice for approval of the Shareholders.

Kolkata

the 8th day of June, 2002

By Order of the Board

Manoj Kumar Jain
Company Secretary