

KALPANA INDUSTRIES LIMITED

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18TH ANNUAL REPORT

2002-2003

COMPOUND GROWTH, MULTIPLIER SUCCESS.....

BOARD OF DIRECTORS

Mr. D. C. Surana, Chairman
Mr. Nirmalendu Guha, Director
Dr. P. Ghosh, Director
Dr. Rupak Dasgupta, Director
Mr. N. K. Surana, Managing Director

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

2B, Pretoria Street,
Kolkata-700 071.

WORKS

Survey No. 168, Plot No. 151 - 158,
Dabhel Industrial Co-operative Society Ltd.
Dabhel, Daman-396 210

MUMBAI OFFICE

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

REGISTRAR & TRANSFER AGENTS

S. K. Computers,
34/1A, Sudhir Chatterjee Street,
Kolkata - 700 006.

KALPANA INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of KALPANA INDUSTRIES LIMITED will be held at Gyan Manch, 11, Pretoria Street, Kolkata-700 071 on Saturday, the 30th day of August 2003 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2003 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 Dr. P. Ghosh who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. R. K. Parakh & Associates, Chartered Accountants, the retiring Auditors of the Company as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors.

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, Dr. Rupak Dasgupta 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 modification(s), the following resolution as a **Special resolution** :-

"RESOLVED that pursuant to section 163 of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members/Debenture holders together with the index of Members, index of debenture holders and copies of all returns prepared u/s 159 & 160 of the Companies Act, 1956 together with the copies of Certificates and documents as required to be annexed thereto u/s 160 & 161 of the Companies Act, 1956 at the office of M/s. S. K. Computers, 34/ 1A Sudhir Chatterjee Street, Kolkata-700 006, the Registrar & Transfer Agents of the Company."

By order of the Board of Directors

Kolkata
the 27th day of June, 2003

Manoj Kumar Jain
Company Secretary

Kalpana Industries Limited

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 THAT 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 No. 4 & 5 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 18th Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the company shall remain closed from Saturday, the 23rd August,2003 to Saturday, the 30th August'2003 (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. *Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.*
7. Shareholders desirous of making nominations are requested to send their requests in Form 2B to the Registrar & Transfer Agent M/s. S. K. Computers. The said Form is enclosed at Page No. 36 of the Annual Report.
8. Re-appointment of Director

At the ensuing Annual General Meeting, Dr. P. Ghosh retire by rotation and being eligible, offer himself for re-appointment. The information or details pertaining to him pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s) are furnished in the Statement on Corporate Governance published in this Annual Report.

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 Dr. Rupak Dasgupta as an Additional Director of the Company with effect from 1st November, 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, Dr. Rupak Dasgupta will hold the office of Additional Director upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Dr. Rupak Dasgupta for appointment as Director of the Company. Consent in writing has been received from Dr. Rupak Dasgupta to act as the Director of the Company, if appointed.

Dr. Rupak Dasgupta aged about 59 years, has done his M. Sc. From Jadavpur University and Ph.D from Calcutta University. He has held very senior & prestigious position in Plastic & Polymer Industry and possesses wide experience of more than 35 years in all types of company affairs. The Board considers that having regard to his wide

KALPANA INDUSTRIES LIMITED

knowledge and rich experience, it will be in the interest of the Company to appoint Dr. Rupak Dasgupta as a Director of the Company.

Except Dr. Rupak Dasgupta 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

For taking the matters relating to Share Transfers & registrations in an efficient manner and to provide quality service to the shareholders, the company has appointed M/s. S. K. Computers, 34/1A, Sudhir Chatterjee Street, Kolkata-700 006 as Registrar & Transfer Agent in place of earlier Registrar & Transfer Agent, M/s. AMI Computers (I) Ltd., 60A & 60B, Chowringhee Road, Kolkata-700 020 of the Company and hence the Register of Members and other documents, registers and statements are required to be kept at their office at the address given in the resolution. As per Section 163(1) of the Companies Act, 1956, approval of Shareholders is required for keeping the register of Members and debenture holders at a place other than the Registered office. Hence the proposed resolution is sought to be passed.

None of the directors are concerned or interested in the resolution set out at Item No. 5.

The directors recommend the resolution set out at Item No. 5 of the notice for approval of the shareholders.

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By order of the Board of Directors

Kolkata
the 27th day of June, 2003

Manoj Kumar Jain
Company Secretary

Kalpana Industries Limited _____

DIRECTORS' REPORT

TO

THE SHAREHOLDERS

Your Directors have pleasure in presenting their 18th Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2003.

1. FINANCIAL RESULTS

	For the year ended 31-03-2003 (Rs. in 000's)	For the year ended 31-03-2002 (Rs. in 000's)
Profit before Depreciation & Interest	45486	32745
Interest	13584	7836
Profit after Interest	31902	24909
Depreciation	11751	10461
Profit before Tax	20151	14448
Provision for Tax	1583	1105
Prior period Item/Short(+)(-)	(-) 405	(-) 109
Profit after Tax	18163	13234
Add : Balance B/F from the previous year	36137	25349
Profit available for appropriation	54300	38583
Proposed Dividend	-	-
Deferred Tax provision for earlier years	-	2446
Balance Carried to Balance Sheet	54300	36137

2. DIVIDEND

Your directors didn't recommend any dividend for the year under review to retain the earnings forseeing the capital investments in the ongoing projects.

3. OPERATIONS

Detailed discussion in relation to the operations of the company has already been done in the Management Discussion and Analysis, separately annexed to the Annual Report.

4. XLPE EXPANSION PROJECT

Your directors are pleased to inform that the expansion of XLPE Project at Daman to double it's existing production capacity at a project cost of Rs. 5 Crores in going on. The Commercial production of the same is expected by October'2003.

5. FUTURE PROSPECTS

Your Directors are hopeful of better financial results in future due to reaping of benefits of major expansion undertaken, a number of cost cutting measures undertaken and streamlining of a number of the Company's products.

6. PUBLIC DEPOSITS

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

Kalpna Industries Limited

7. INDUSTRIAL RELATIONS

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

8. DIRECTORS

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

The Board of Directors appointed Dr. Rupak Dasgupta as an Additional Director of the Company with effect from 1st November, 2002. Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, he would hold office as a director upto the ensuing Annual General Meeting. The Company has received a notice from a shareholder under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Dr. Rupak Dasgupta as a director of the Company.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed :
2. Appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2003.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Annual Accounts have been prepared on a going concern basis.

10. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s), a Management Discussion and Analysis and Corporate Governance Report together with the Certificate from the Auditors of the company certifying compliance of the conditions of the Corporate Governance have been made a part of the Annual Report.

11. CHANGE OF REGISTRAR & SHARE TRANSFER AGENTS

The Board of Directors of the company have approved the change of Registrar & Share Transfer Agent of the Company from M/s. AMI Computers (I) Ltd. of 60A & 60B, Chowringhee Road, Kolkata-700 020 to M/s. S. K. Computers of 34/1A, Sudhir Chatterjee Street, Kolkata-700 006 with effect from 1st March, 2003. The Board placed on record it's appreciation for the services rendered by the earlier Registrar & Share Transfer Agent.

All future correspondences may be kindly addressed to our new Registrar & Share Transfer Agent at the address mentioned above.

12. AUDITORS

M/s. R. K. Parakh & Associates, Chartered Accountants, Kolkata, Auditors of the Company, will retire at the conclusion of forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made will be in accordance with Section 224(1B) of the Companies Act, 1956.

KALPANA INDUSTRIES LIMITED

13. AUDITORS' REPORT

The Report of the Auditors pertaining to the Accounts in respect of the year ended 31st March, 2003 read with Notes on Accounts are self-explanatory and, therefore, do not warrant any-comments.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The particulars relating to Conservation of energy, technology absorption and foreign exchange and outgo as required under section 217(1)(e) of the Companies Act, 1956 are enclosed as Annexure-A to this Report.

15. PARTICULARS OF EMPLOYEES

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

16. 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.



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

For and on behalf of the Board of Directors

Date : the 27th day of June, 2003

D. C. SURANA
Chairman

ANNEXURE-'A'

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES' 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2003

A. CONSERVATION OF ENERGY

The Company has set up a team which is studying the possibilities of use of various methods by which the company optimizes the use of energy without affecting productivity. The main task of the team is to study from different angles such as cost benefit analysis, impact on productivity etc. Various alternatives are being considered in this direction.

i) Energy Conservation measures taken :

- Applying appropriate voltage to lighting circuit.
- Replacing illuminating devices with energy efficient ones.
- Improving natural light by measures like use of polycarbonate roof, opening windows, studying illumination needs and eliminating tube lights.
- Use of energy efficient motors.
- Maintaining old machinery in good condition, retrofitting or replacing with energy efficient ones.
- Minimizing idle running of equipment like Air Conditioners, pumps, lights, drilling, machines, HF Generators and welding machines.

ii) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

- Finalisation of machinery with special attention to provide maximum energy conservation.
- Constant study and references are being made to improve efficiency in consumption of energy and wherever required investments are made.
- Installation of High Tension capacitors banks to increase power factor.

iii) Impact of the above measures at (i) and (ii)

- Resulted in reduction in consumption of energy in the respective work areas.

iv) Total energy consumption & energy consumption per unit of production.

- As per Form 'A' enclosed

B. TECHNOLOGY ABSORPTION

- As per Form 'B' Enclosed

C. FOREIGN EXCHANGE EARNINGS AND OUTGO.

1. 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 it's products in global market. Effective steps have been taken in this regard and company is receiving good response to it's efforts.

2. Total Foreign Exchange used and earned.

	Rs. in 000's	
	Current Year	Previous Year
Total Foreign Exchange earned	1250	NIL
Total Foreign Exchange used	151045	102482

FORM A**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****A. POWER AND FUEL CONSUMPTION**

		Current Year	Previous Year
1. Electricity			
a) Purchased			
Unit	KWH	3407000	2317190
Total Amount Rs.	Rs.	8788801	5859000
Rate/Unit (Average)	Rs./KWH	2.58	2.53
b) Own Generation (Through Diesel Generator)	KWH	108425	45273
Total Amount Rs.	Rs.	640000	282000
Rate/Unit (Average)	Rs./KWH	5.90	6.23
2. Coal		NIL	NIL
3. Furnace Oil		NIL	NIL
4. Other/Internal Generation		NIL	NIL

B. CONSUMPTION PER UNIT OF PRODUCTION :**Net Saleable Production**

1. PVC/PE Compounds	Kgs.	6956602	3808805
Electricity	KWH/Ton	284.60	300.94
2. Embroidery of Fabric	MTRS	2193820	1621631
Electricity	KWH/MTR	0.70	0.75

FORM B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION :****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.

c) Future Plan of Action :

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