



KALPANA INDUSTRIES LIMITED

19TH ANNUAL REPORT

2003-2004

COMPOUND GROWTH, MULTIPLIER SUCCESS.....

BOARD OF DIRECTORS

Mr. D. C. Surana, Chairman
Mr. N. Guha, Director
Dr. P. Ghosh, Director
Dr. R. 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.

BRANCH OFFICE

106, Laxmi Plaza, Laxmi Industrial Estate,
1st Floor, New Link Road
Andheri (West), Mumbai - 400 053

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

WORKS

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

REGISTRAR & TRANSFER AGENTS

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

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of KALPANA INDUSTRIES LIMITED will be held at 114/5, Hazra Road, Kolkata – 700026 on Saturday, the 18th day of September, 2004 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2004 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 N. Guha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri D.C. Surana who retires by rotation and being eligible offers himself for re-appointment
4. To appoint Auditor, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration fixed by the Board of Director.

SPECIAL BUSINESS:

5. Disposal of Embroidery unit

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 293(1)(a) of the Companies Act, 1956, the consent of the company be and is hereby accorded to deal, negotiate and dispose of the Embroidery unit of the company situated at Daman."

"RESOLVED FURTHER THAT the Board of directors of the company be and is hereby authorized to finalize the document and such other agreements for the disposal as aforesaid and to do all such acts, deeds, matters and things as may be necessary or expedient for giving effect to the above resolution."

6. Alternation of Articles of Association.

To consider and if thought fit, to pass with or without modification(s) the following resolution as special resolution :

"RESOLVED that pursuant to the provisions of section 31 and section 94 including its sub-sections and other applicable provision(s), 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 :

The following text be and is hereby added to existing article 14 as article 14(5).

"Notwithstanding anything contained to the act, the share certificate fo the company would be in the marketable lot of 100 (one hundred) shares."

By order of the Board

Kolkata
the 10th day of June, 2004

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 THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.A PROXY SO APPOINTED SHALL NOT HAVE ANT RIGHT TO SPEAK AT THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.
2. The Register of Members and the Share Transfer Books of the company shall remain closed from Saturday, 11th day of September 2004 to Saturday, 18th day of September 2004 (both days inclusive).
3. Members are requested to notify immediately any change in their address, to their DP in respect of their Electronic Share Accounts and to the Registrar in respect of their physical shares, as the case may be.
4. Shareholders who are interested in making nominations in respect of their shareholding in the company in physical form as permitted under Section 109-A of the Companies Act, 1956 are requested to submit the Form 2B to the Registrar & Transfer Agent of the company.
5. Queries on accounts of the company, if any, may please be send to the registered office of the company seven days in advance of the Meeting, so as the answer may be made available at the Meeting.
6. The explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of item 5 is annexed.
7. For the convenience of members and for proper conduct of the meeting entry to the place of the meeting will be regulated by attendance slip. Members are requested to affix their signature at the place provided on the attendance slip and handover it at the entrance to the venue.
8. Reappointment of Director :-

At the ensuing Annual General Meeting, Shri. N. Guha and Shri D.C.Surana, retires by rotation and being eligible, offer themself for re-appointment. The Information or details pertaining to them pursuant to Clause 49(VI)(A) of the Listing Agreement with the Stock Exchange(s) are furnishes in the statement on Corporate Governance published in the Annual Report.
9. Members attending the Annual General Meeting are requested to bring the following with them (as applicable)
 - (a) Members holding shares in dematerised form, their DP & client ID number(s)
 - (b) Member holding shares in physical form, their folio number.
 - (c) Attendance slip.
 - (d) Copy of Annual Report 2003-04
 - (e) Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

KalpANA INDUSTRIES Limited

ANNEXURE TO NOTICE

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

Item no 5.

Due to the change in the recent government policy, the embroidery business of the company became unviable. After having detailed discussion on working of the unit and after having SWOT analysis on this subject matter, the Board deemed it expedient for the disposal of embroidery unit.

As per section 293(1)(a) of the Companies Act, 1956 approval of shareholder is necessary for disposal of any unit of the company. 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 at the notice for approval of the shareholders.

Item no. 6.

For the Smooth and effective functioning(s) of the Share department of the company and in order to avoid unnecessary delay in the shareholder's related service, it is necessary to mention the share certificate in the lots of market unit in the Articles of Association of the the Company.

As per section 31 of the companies Act, 1956, approval of Shareholder is necessary for alteration of Articles of the Company. Hance the proposed resolution is sought to be passed.

None of the directors are concerned or interested in the resolution set out at item no. 6.

The directors recomond the resolution set out at Item no. 6 at the notice for approval of the Shareholders.



By order of the Board

Kolkata
the 10th day of June, 2004

Manoj Kumar Jain
Company Secretary

KALPANA INDUSTRIES LIMITED**DIRECTORS' REPORT**

TO

THE SHAREHOLDERS

Your Directors have pleasure in presenting their 19th Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2004.

1. FINANCIAL RESULTS

	For the year Ended 31-03-2004 (Rs. in 000's)	For the Year Ended 31-03-2003 (Rs. in 000's)
Profit before Depreciation & Interest	45244	45486
Interest	12255	13584
Profit after Interest	32989	31902
Depreciation	12651	11751
Profit before Tax	20338	20151
Provision for Tax	2488	1583
Prior period Item/Short(+)(-)	37	(-) 405
Profit after Tax	17887	18163
Add: Balance B/F from the previous year	54300	36137
Profit available for appropriation	72187	54300
Proposed Dividend	—	—
Deferred Tax provision for earlier years	8760	—
Balance Carried to Balance Sheet	63427	54300

2. DIVIDEND

The company foresees capital investment in the year under review. The Board of Director, therefore, have decided to plough back profits to build up resources, which will help in increasing the wealth of shareholder and hence, they do not recommend payment of dividend for the year under review.

3. OPERATIONS

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

4. MARKETING

The Company continued to increase its market share in all its products in global and domestic markets. While it has taken initiative for brand building and marketing in the overseas market, the company has successfully marketed its PVC Compound and XLPE Compound to reputed clients.

5. FUTURE PROSPECTS

Although the prospect of your Company is absolutely dependent on the recovery of the Indian Economy, your Directors are hopeful of better financial results in future due to a number of cost cutting measures undertaken and streamlining of a number of the Company's products.

KALPANA INDUSTRIES LIMITED

6. HUMAN RESOURCE DEVELOPMENT

Your Company is a learning organization and recognizes knowledge as a tool for growth. The management believes that Employees' knowledge, skill and practices need to keep pace with the ever-changing environment. Providing staff with access to development opportunities suited to their potential and job requirements is primarily the responsibility of supervisors. An important factor in promoting individual development is to allow performance to have a direct impact on compensation. A growing proportion of an employee's annual compensation is linked to his or her achieving defined objectives, particularly in the case of managerial positions.

7. PUBLIC DEPOSITS

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

8. 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.

9. DIRECTORS

Pursuant to section 256 of the Companies Act, 1956 read with Article No. 100(2) and 101 of the Articles of association, Shri D.C. Surana and Shri N. Guha retires by rotation at the forthcoming Annual General Meeting but being eligible offered themselves for reappointment.

10. 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 judgments 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, 2004.
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.

11. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the stock exchange(s), a Management Discussion and Analysis Report and Corporate Governance Report together with the certificate from the auditors of the company certifying compliance of the same have been made a part of the Annual Report.

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.

KalpANA INDUSTRIES LIMITED

13. AUDITORS' REPORT

The Report of the Auditors pertaining to the Accounts in respect of the year ended 31st March, 2004 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 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.

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 St
Kolkata – 700 071

For and on behalf of Board of Directors

Date : the 10th day of June 2004

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, 2004****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	24228	1250
Total Foreign Exchange used	188913	151045

Kalpana Industries Limited

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	4412000	3407000
Total Amount Rs.	Rs.	11331000	8788801
Rate/Unit (Average)	Rs./KWH	2.57	2.58
b) Own Generation (Through Diesel Generator)	KWH	35120	108425
Total Amount Rs.	Rs.	237000	640000
Rate/Unit (Average)	Rs./KWH	6.74	5.90
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.	9996364	6956602
Electricity	KWH/Ton	302.00	284.60
2. Embroidery of Fabric	MTRS	1586167	2193820
Electricity	KWH/MTR	0.90	0.70

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.