

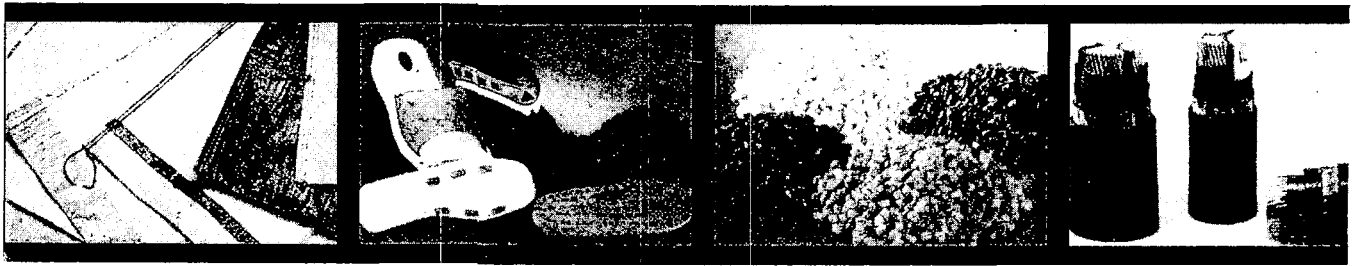
23

rd Annual Report 2007-2008



KALPANA INDUSTRIES LTD.

What you dream we compound into reality



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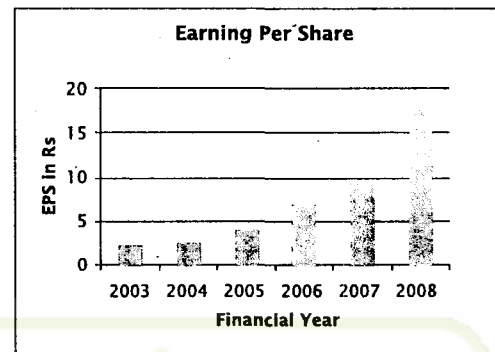
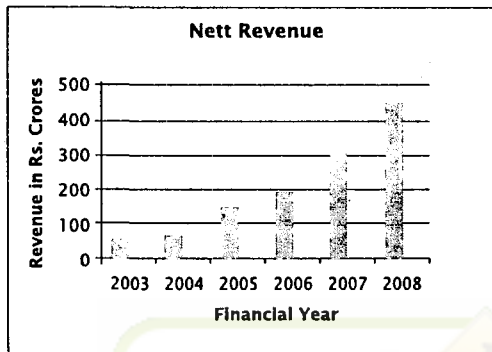
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KALPANA INDUSTRIES LIMITED

FINANCIAL OVERVIEW 2003-2008

Rs. In Crores -	2003	2004	2005	2006	2007	2008
Nett Revenue	51.53	67.32	147.71	188.46	305.56	451.60
PAT	1.81	1.78	2.92	5.15	9.80	20.87
EPS (Rs.)	2.44	2.35	3.90	6.80	9.27	18.06



Our Products

Cable Compounds

Moisture curable Saline Grafted XLPE
 Peroxide XLPE
 Semicon for both types of XLPE
 PE Compound for Ariel Bunched Cable
 Fire Retardant Compounds based on PVC, HFFR, Zero Halogen
 Black Jacketing Compounds for telecom

Master Batches & Speciality Compounds

Wide range based on PE and PP. Application include Raffia Tape, films, moulded and extruded plastic products.

Pipe Compounds

Wide range based on PVC, PP-R and moisture curable XLPE- Application include irrigation pipes, hot and cold water distribution pipes.

Footwear Compounds

Wide range, based on PVC, TPR, EVA for foamed/compact shoe-soles and uppers.

KALPANA INDUSTRIES LIMITED



Mr. D.C. Surana
Chairman

BOARD OF DIRECTORS

Mr. D.C. Surana	Mr. N. Guha	Dr. P. Ghosh	Dr. R. Dasgupta	Mr. N.K. Surana
<p>Mr. D.C. Surana, aged around 73 years has rich profile of experience in the plastic industry of the country. He has got total 31 years of experience out of which he has been closely associated with the plastic industry from 1985. He has contributed his life long experience to promote this Company. Currently he is holding the position of Chairman.</p>	<p>Mr. N. Guha, aged around 75 years, an engineer by profession, has been associated with the Company in the capacity of Independent Director. Mr. Guha has received his engineering education from India and U.K. His qualification include M. Tech (P. Eng & Mgt.), C. Eng, FIE (India), FI Plant E (UK), Hon FIPE, MMFI. Mr. Guha has wide experience in the Corporate world and has held distinguished positions in prestigious companies. He has remained Vice Chairman and Managing Director of IFB Agro Industries and Chief Executive- MD and CM of Tea Trading Corporation of India.</p>	<p>Dr. P. Ghosh aged around 71 years, is associated with the Company since 1993. He has been an outstanding scholar and done his B.Sc.(Hons), M.Sc. (Tech) and Phd from Calcutta University. He has held senior positions in Plastic and Polymer producing Industries and possesses more than 36 years of experience in the Corporate world. Currently he is holding the position of Independent Director.</p>	<p>Dr. R. Dasgupta, aged around 64 years, has been associated with the Company since 2003 as Independent Director. He has done M.Sc. from Jadavpur University and Phd from Calcutta University. He has held senior positions in Plastic and Polymer Industry and possesses more than 36 years of rich experience in the Corporate arena.</p>	<p>Mr. N.K. Surana, aged around 46 years, is B.Com (Hons.), and L.L.B. from Calcutta University. He also holds a MBA degree from Harvard University (correspondence course). Currently he is holding the position of Managing Director of the Company. He has been associated with the Company since inception. He has got start up experience in various projects, particularly in Plastic Industry. Due to his able leadership the Company has reached its present height.</p>

KALPANA INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of KALPANA INDUSTRIES LIMITED will be held at Gyan Manch 11, Pretoria Street, Kolkata 700071 on Tuesday, 23rd September, 2008 at 2.00 pm to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March 2008 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 declare dividend on the equity shares of the Company.
3. To appoint a Director in place of Mr. D.C. Surana who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. N. Guha who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditor in place of M/s. D.C Dharewa & Co. Chartered Accountants, Kolkata, who retire by rotation, and being eligible, offer themselves for re-appointment, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at a remuneration fixed by the Board of Directors.

SPECIAL BUSINESS :**To pass with or without modification the following Ordinary Resolution**

6. "RESOLVED THAT in supersession of the Resolution passed at the Annual General Meeting held on 16th December, 2005 and pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to borrow money from time to time from anyone or more of the Company's Bankers and/or from anyone or more Firms, Bodies Corporate, Financial Institutions, Mutual Funds, Foreign Bankers, Foreign Financial Institutions, Foreign Institutional Investors, Overseas Corporate Bodies, Overseas Mutual Funds, Trusts or such other bodies or entities whether by way of cash credit, loans, advances, deposits, loans or bills discounting, deferred payment guarantees, issue of debentures, external commercial borrowings or otherwise, in any other mode or form, and whether unsecured or secured by mortgage, charge, hypothecation, lien, or pledge of the Company's assets and properties, whether immovable or movable or stock in trade (including raw materials, spare parts and components in stock or in transit and work in progress) or by any kind of guarantees and all or any of the undertakings of the Company, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business), will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount upto which the money may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 500,00,00,000 (Five Hundred Crores Only) exclusive of interest, and that the Board of Directors be and is hereby further authorized to execute such debenture trust deeds, and or mortgage deeds, charge deeds, deeds of hypothecation, lien, promissory notes, deposit receipts, guarantees/assurance deeds and other deeds and instruments or writings containing such conditions and covenants, as the Board of Directors in its absolute discretion may think fit."

To pass with or without modification the following Special Resolution.

7. "RESOLVED THAT subject to the approval of the Central Government pursuant to section 21 of the Companies Act, 1956, the name of the Company be and is hereby changed from KALPANA INDUSTRIES LTD' to 'KALPANA INDUSTRIES LIMITED'.

RESOLVED FURTHER THAT the name 'KALPANA INDUSTRIES LTD' wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name 'KALPANA INDUSTRIES LIMITED'.

By Order of the Board

Kolkata
The 23rd August, 2008

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 any right to speak at the meeting. The blank proxy form is enclosed with this Annual Report.
2. The Register of Members and the Share Transfer Books of the company shall remain closed from 18th September 2008 to 23rd September 2008 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid, subject to the provisions of Section 206A of the Companies Act, 1956 to those members or their mandates whose names stand registered on the Company's Register of Members.
 - a) as Beneficial owners as at the end of business hours on 17th September 2008 as per prelist to be furnished by NSDL and CDSL with respect to shares held in Electronic Form.
 - b) as members in the Register of Members of the company after giving effect to valid share transfers in physical form lodged with the Company or the Share Transfer agents: M/s. S K Computers 34/1A Sudhir Chatterjee Street, Kolkata 700 006 on or before 17th September 2008.
4. 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.
5. The dividend shall be distributed vide ECS or direct credit to the Members' bank account. Members are requested to furnish details of ECS Mandate as per details attached at the end of the Annual Report 2007-08.
6. 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.
7. Queries on Accounts of the company, if any, may please be sent 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.
8. 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 hand it over at the entrance to the venue.
9. Reappointment of Director
At the ensuing Annual General Meeting Mr. D.C. Surana and Mr. N. Guha, retire by rotation and being eligible, offer themselves for re-appointment. The information or details pertaining to them pursuant to Clause 49 (IV) (E) & (G) of the Listing Agreement with the Stock Exchange(s) are furnished in the statement on Corporate Governance published in the Annual Report.
10. Members attending the Annual General Meeting are requested to bring the following with them (as applicable)
 - ⇒ Members holding shares in dematerialized form, their DP & client ID number(s).
 - ⇒ Member holding shares in physical form, their folio number.
 - ⇒ Attendance slip.
 - ⇒ Copy of Annual Report 2007-08.
 - ⇒ 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.

KALPANA INDUSTRIES LIMITED

ANNEXURE TO NOTICE

Explanatory Statement pursuant to section 173(2) of the Companies Act' 1956

Item no. 6

Pursuant to the provisions of clause (d) of sub-section (1) of section 293 of the Companies Act, 1956, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the Shareholders of the Company in a General Meeting. At the Annual General Meeting of the Company held on 16th December 2005 consent of the members had been obtained for the Directors to borrow exceeding the aggregate of the paid up share capital and free reserves subject to a maximum limit of Rs. 200,00,00,000 (Two hundred crores) at any one time.

The expansion program of the Company is being carried out in full swing and it is expected that the ceiling fixed by the members as above will be exceeded after acceptance of further borrowings to augment funds required for such expansion programs. Therefore your Directors place before you the proposal to further increase the maximum borrowing limit to Rs. 5,00,00,00,000 (Five hundred crores) at any one time exceeding the aggregate of the paid up share capital and free reserves as on the date of the accompanying notice.

None of the Directors has any interest in the proposed resolution; except Mr. D. C. Surana and Mr. N. K. Surana as shareholders holding in the aggregate very negligible per cent of the issued shares in the Capital of the Company.

Item no. 7

The Company has consulted several Numerology and Astrology experts to ensure that the name of the Company is commensurate with the expected growth the Company envisages. As per such experts, the name 'KALPANA INDUSTRIES LIMITED' is most suitable for Company's future growth and prospects. Accordingly you directors propose to change the name of the Company from present 'KALPANA INDUSTRIES LTD' to 'KALPANA INDUSTRIES LTD'.

On an application made pursuant to section 20 of the Companies Act' 1956, the Registrar of Companies, West Bengal, confirmed the availability of the proposed name subject, however, to the approval of the same by a Special Resolution at the ensuing Annual General Meeting and approval of the Registrar of Companies to whom authority has been vested by the Central Government to deal with matters under section 21 of the Companies Act' 1956.

With the change of name as proposed, if approved, the share certificates for equity shares held in physical mode will be required to be exchanged with new certificates/embossed with new name in existing certificates, as the circumstances will permit, but bearing the same scrip and consecutive numbers.

The Directors recommend the adoption of the resolution in the interest of the Company. None of the Directors has any interest in the proposed resolution, except Mr. D. C. Surana and Mr. N. K. Surana as shareholders holding in the aggregate very negligible percent of the issued shares in the Capital of the Company.

By Order of the Board

Manoj Kumar Jain
Company Secretary

Kolkata
The 23rd August, 2008

KALPANA INDUSTRIES LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Twenty Third Annual Report together with the audited accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs. In Thousand)

Particulars	2007-08	2006-07
Profit before Depreciation And Interest	365817	207846
Less: Interest	80882	66048
Profit after Interest	284935	141798
Less: Depreciation	39379	28199
Profit before tax	245556	113599
Less: Provision for Tax		
Current Tax	28320	12745
Deferred Tax	6592	2000
Fringe Benefit Tax	925	875
Prior period Item/Short +/-)	982	(22)
Profit After Tax	208737	98001
Add: Balance b/f from Previous Year	158953	99986
Profit available for appropriation	367690	197987
APPROPRIATIONS		
Proposed Dividend	23107	23107
Tax on Proposed Dividend	3927	3927
Amount carried to General Reserve	26000	12000
Balance carried to Balance Sheet	314656	158953

PERFORMANCE

Your company achieved revenue of Rs. 506.30 cr. this year which is 50% higher than the revenues for the previous year. The profits of your Company after providing for tax increased to Rs. 20.87 cr. as compared to the profit after tax of Rs. 9.80 cr. in the last year. Income from exports increased by 120 %, from Rs. 50.78 cr. in the last year to Rs. 111.56 cr. in the year under review. Your Company is planning to set

additional facilities in India and plans to set-up liaison offices at strategic international locations of South East Asia to augment its growth-plan.

The detailed analysis of your Company's operations and segment-wise performance is covered under 'Management Discussion & Analysis Report.'

DIVIDEND

Your Board of Directors is pleased to recommend a dividend of 20% for the financial year 2007-08. The distribution of dividend will result in payout of Rs. 2.31 cr. excluding tax on dividend.

FUTURE PROSPECTS

Your Company operates in single segment and performs in the following four sectors- Power Cable Industries, Compound for packaging, compound for pipe industries and footwear industries.

In the power cable sector we expect robust demand in the Power Generation and Transmission, distribution and steel and petrochemical sector. In the packaging sector rapid and sustainable growth is expected. In the footwear sector much growth is not expected as it is an unorganized sector and in house capacity utilization is available. In piping sector the market is currently dominated by imports, the company is engaged in import substitution and developing inroads in this market.

HUMAN RESOURCES

Our success is fundamental on our ability to recruit and retain highly qualified and motivated people at all levels. Our entire talent pool of employees have college degrees and some of them have advanced degrees including, Phds., MBA, Chartered Accountants and Engineers. Our goal is to recruit and retain people who are the best at what they do, people who are motivated to achieve results, have high standards of quality and integrity, possess a flexible, entrepreneurial spirit and are committed to develop to their full potential.

FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits from the public in terms of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

RESEARCH & DEVELOPMENT

Your Management recognizes that Research & Development plays a critical role in supporting current operations as well as creating future growth. Your Company has focused its attention towards development of products that have wide industrial application particularly in cable, piping and footwear industry.

AUDITORS REPORT

The Report of the Auditors pertaining to the Accounts in respect of the year ended 31st March, 2008 read with Notes on Accounts are self explanatory and therefore, do not require any further clarification.

KALPANA INDUSTRIES LIMITED**DIRECTORS**

By virtue of section 255 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. D. C. Surana and Mr. N. Guha retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment. A brief resume, expertise, shareholding in your Company and details of other directorship of these directors are given in the Corporate Governance Report. Suitable resolutions for the approval of shareholders are incorporated in the notice convening the Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

The Report on Management Discussion & Analysis has been attached and forms part of the Annual Report.

CORPORATE GOVERNANCE

The Report on Corporate Governance along with the Certificate from the Statutory Auditors certifying the compliance of Corporate Governance enumerated in Clause 49 of the Listing Agreement with the Stock Exchanges is included in the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that:

- i) In the preparation of the annual accounts the applicable Accounting Standards have been followed;
- ii) They have selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March 2008 and of the profit of your Company for the financial year ended 31st March 2008.
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- iv) They have prepared the accounts on a 'going concern' basis.

AUDITORS

M/s. D. C. Dharewa & Co. Chartered Accountants, Kolkata will retire at the conclusion of the forthcoming Annual General Meeting as auditors of the Company and being eligible offer themselves for reappointment.