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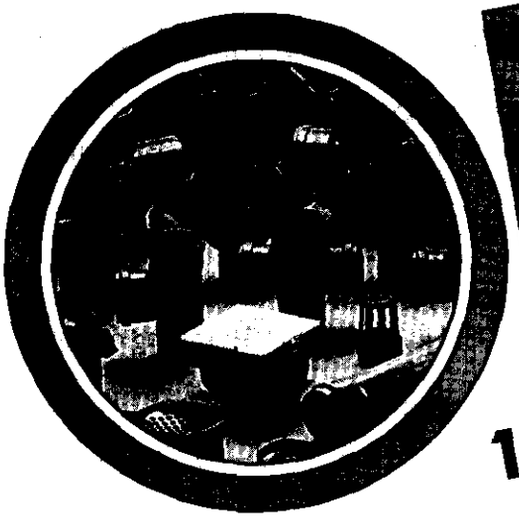
REPORT



1998-1999

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KisaN

THE MARK OF EXCELLENCE

KISAN MOULDINGS LIMITED

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KISAN MOULDINGS LIMITED

BOARD OF DIRECTORS
RAMESH J. AGGARWAL - Chairman
R. M. VAIDYA
R. D. SUVARNA
S. S. GUPTA
VIJAY J. AGGARWAL
SATISH J. AGGARWAL - Managing Director

AUDITORS
M/S. MITTAL & ASSOCIATES
Chartered Accountants
Mumbai

BANKERS
UNION BANK OF INDIA
PUNJAB NATIONAL BANK

REGISTERED AND ADMINISTRATIVE OFFICE
'TEX CENTRE', K Wing, 3rd Floor, 26-A, Chandivali Raod,
Off Saki Vihar Road, Andheri (East), Mumbai - 400 072.

WORKS :
L - 43 & 45, MIDC, Tarapur - BOISAR
Dist. Thane (M. S.)

REGISTRAR AND SHARE TRANSFER AGENT
M/S Adam Comsof Limited
Narayan Building, 23, Lakhamshi Napoo Road,
Dadar (East), Mumbai-400 014

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KISAN MOULDINGS LIMITED

NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the Members of Kisan Mouldings Limited will be held at Auditorium of The All India Plastic Manufacturers Association, A-52, Street No.1, M.I.D.C. Andheri (East), Mumbai 400 093. on Saturday, the 18th day of September, 1999 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at and the Profit and Loss Account for the year ended 31st March, 1999 and Directors' and Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri R.M.Vaidya, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Vijay J.Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

   "RESOLVED THAT in accordance with the provision of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Satish J. Aggarwal, as the Managing Director of the Company for a period of 5 (five) years with effect from 1st October, 1999, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Shri. Satish J. Aggarwal, a draft whereof is placed before the meeting duly initialled by the chairman for identification and with the power to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendment(s) and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendment(s) thereto as may be agreed to between the Board of Directors and Shri. Satish J. Aggarwal.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect(s) to this resolution."

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and to vote instead of himself and a proxy need not be a member of the Company. Proxies in order to be valid must be lodged at the Registered office of the Company not less than 48 hours before commencement of the meeting.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item No.6 above is annexed hereto .
3. The Register of Members and Share Transfer Books will remain closed from 21st August, 1999 to 18th September, 1999 (both days inclusive)
4. The dividend as recommended by the Board of Director, if sanctioned at the Annual General Meeting, shall be paid on or after 11th October, 1999, to those members whose names will stand on the Register of Members of the Company as on 18th September, 1999.
5. Members are requested to notify immediately the change,if any,in their address with pin code, bank mandate instruction,if any, for payment of Dividend by giving their Registered Folio number to M/S Adam Comsof Limited,

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Narayan Building, 23, Lakhamshi Napoo Road, Dadar (East), Mumbai-400 014 the Registrar and Share Transfer Agent of the Company.

For and on behalf of the Board

Ramesh J. Aggarwal
Chairman

Place: Mumbai
Dated: July 17, 1999.

Registered Office:
"TEX-CENTRE"
K- Wing,3rd Floor,
26'A' Chandivli Road,
Off Saki Vihar Road,
Andheri(East), Mumbai-400 072

Explanatory Statement under Section 173 (2) of the Companies Act, 1956.

Item.No.6

The present term of office of Shri. Satish J. Aggarwal will be expiring on 30th September 1999. The Board of Directors in its meeting held on 29th May, 1999, subject to the approval of the members in the forthcoming Annual General Meeting, have approved re-appointment of Shri. Satish J. Aggarwal as Managing Director of the Company for a further period of 5 (five) years from the expiry of his term.

The broad particulars of remuneration payable to and the terms of re-appointment of Shri.Satish J.Aggarwal are as under:

1. Period : 1st October, 1999 to 30th September, 2004.

2. Remuneration

(a) Salary

Rs. 20,000/- per month including dearness and all other allowances.

(b) Commission

Equivalent to 1% of the net profits of the company computed under Section 349 of the Companies Act,1956, subject to a ceiling of an amount equal to his Annual Salary and will be payable annually after the Annual Accounts have been adopted by the shareholders.

(c) Perquisites

Perquisites shall be restricted to an amount equal to the annual salary or Rs.1,80,000/- per annual, whichever is less:

(i) Housing

I. The expenditure by the Company on hiring furnished accommodation for the Managing Director will be subject to a ceiling of Sixty percent of the salary.

II. In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of ten percent of the Salary of the Managing Director.

(ii) Medical Reimbursement

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(iii) Leave Travel Concession

Leave travel concession for self and family, once in a year incurred in accordance with the rules of the Company.

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Explanation : Family means the spouse, the dependent children and dependent parents of the Managing Director.

(iv) Club Fees

Fees of clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.

(v) Personal Accident Insurance

Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.10,000/- per annum.

(vi) (a) Company's contribution towards Provident Fund as per the rules of the Company

(b) Company's contribution towards Superannuation Funds as per the rules of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the income tax Act.

(vii) Gratuity

As per the Rules of the Company.

(viii) Earned Leave

On full pay and allowances as per the rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

(ix) Car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

(d) In the event of loss or inadequacy of profits in any financial year, the provisions of Schedule XIII of the Companies Act, 1956 shall apply.

3. The terms and conditions set out for re-appointment and payment of remuneration herein and/or in the agreement may be altered and revised from time to time by the Board of Directors of the Company as it may, at its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) or any amendment(s) made thereto.

4. The Managing Director,so long as he functions as such,shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

5. *The Company shall reimburse to the Managing Director entertainment , travelling and all other expenses* incurred by him for the business of the company.

6. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or his minor children in any Selling Agency of the Company in future without the prior approval of the Central Government.

7. The Agreement may be terminated at any time by either party thereto by giving to the other party six month's notice of such termination and neither party will have any claim against the other for damages or compensation by reason of such termination, In any event, the Managing Director shall not be entitled to any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.

8. Memorandum of concern or interest

Shri Satish J.Aggarwal is interested for the remuneration payable to him. Shri Ramesh J.Aggarwal and Shri. Vijay J. Aggarwal are also concerned or interested as relatives of Shri.Satish J. Aggarwal.

For and on behalf of the Board

Ramesh J. Aggarwal
Chairman

Place: Mumbai
Dated: July 17, 1999.

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DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Tenth Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March, 1999.

Financial Results

	Current Year		Previous Year	
		(Rupees in Lacs)		
Profit before depreciation, interest and tax (PBDIT)		192.49		180.76
Less Depreciation	60.16		61.01	
Interest & Bank Charges	80.04		87.61	
		140.20		148.62
Profit before tax		52.29		32.14
Provision for tax		8.50		4.00
Profit After tax		43.79		28.14
Balance brought forward		81.00		52.86
Profit carried forward		124.79		81.00

Performance

General sluggishness in the Economy, increased market competition coupled with high volatility in the price of basic raw material PVC Resin have put pressure on the Company's pace of growth. However Company's wide/strong dealers network, Improved quality of products and aggressive marketing have contributed to maintain growth in turnover and profitability for the year. The turnover for the year at 926.19 lacs was higher by 14% as against Rs. 815.63 lacs in previous year. After providing for depreciation and interest of Rs. 140.20 lacs, (Previous year Rs. 148.62) the operations has resulted into a net profit (before tax) of Rs.52.29 lacs as against Rs. 32.14 lacs in previous year.

Dividend

The Board of Directors recommend a dividend of 8% for the year, subject to approval by the members at forthcoming Annual General Meeting.

Future Outlook

An expansion plan of the manufacturing facilities at Plot No. L-43, M.I.D.C., Tarapur was taken in hand last year to cater the growing market demand of the Company's products and induction of complete range of highly demanded new products i.e. PVC Ball Valve, Lavatory seats & covers and "O" ring fittings of 90mm size with a capital outlay of Rs. 370 lacs approx. and will be financed through a term loan of Rs.216 lacs from Financial Institution and balance through internal accruals and sale of Investments. The Company has already Rs.181 lacs invested out of the total project cost. Barring unforeseen circumstances, the expansion project should go on stream in the first half of the 1999-2000.

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Fixed Deposits

During the financial year under consideration, your Company had neither accepted nor renewed any deposit from public within the meaning of Section 58 - A of the Companies Act, 1956.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri R.M. Vaidya and Shri Vijay J.Aggarwal, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The Board of Directors recommend their re-appointment.

Auditors

Messrs Mittal & Associates, Chartered Accountants, retire as Auditors of the Company at the forthcoming Annual General Meeting and are eligible for re-appointment.

Auditor's Comment

The observations made by the Auditors in the Auditors Reports are self explanatory as per Notes on Accounts annexed to the Accounts and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

Conservation of Energy and Technology Absorption, etc.

The relevant data pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this report

Particulars as per Section 217(2A) of Companies Act, 1956

None of the employees of the Company was in receipt of remuneration exceeding Rs. 3,00,000/- per annum or Rs. 25,000/- per month when employed for part of the year.

Year 2000 (Y2K) preparedness :

The Company has taken adequate steps for ensuring Y2K compliance in all its systems and accordingly most of the systems have already complied and tested. The Company expects full implementation before 30th September, 1999 and estimated cost to address Y2K compliance is not significant.

Acknowledgements

Your Directors greatly value the support and co-operation received during the year from the Financial Institution, the Company's Bankers, Statutory Authorities and all organisations connected with its business. Your Directors also take pleasure in commending the valuable contributions made by the Company's employees at all levels during the year.

For and on behalf of the Board

Ramesh J. Aggarwal
Chairman

Place: Mumbai
Dated: May 29, 1999

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ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with 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, 1999.

	Unit	1998-99	1997-98
A. CONSERVATION OF ENERGY			
1) Electricity			
(a) Purchased	KWH	13,80,492	10,38,964
Total Amount	Rs.	52,82,732	38,46,364
Average rate per unit (Rs./KWH)		3.83	3.70
(b) Own Generated		Nil	Nil

B. TECHNOLOGY ABSORPTION

The Company has installed power saving devices on trial basis to reduce power consumption and mould process time with respect to per unit of production. The company has not imported any technology and process.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Total Foreign Exchange earned	Rs.	Nil
Total Foreign Exchange used	Rs.	Nil

For and on behalf of the Board

Ramesh J. Aggarwal
Chairman

Place: Mumbai
Dated: May 29,1999.

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