

**TWELFTH
ANNUAL REPORT
2000-2001**



KISAN MOULDINGS LIMITED

KISAN MOULDINGS LIMITED

BOARD OF DIRECTORS

RAMESH J. AGGARWAL - Chairman

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 Road,
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

Adam Comsof Limited

Narayan Building, 23, Lakhamshi Napoo Road,
Dadar (East), Mumbai - 400 014.



KISAN MOULDINGS LIMITED

Twelfth Annual Report 2000-2001

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of Kisan Mouldings Limited will be held at Vishal Hall, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai-400 099 on Saturday, the 22nd September, 2001 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2001 and Balance Sheet as on that date along with the Reports of Directors' and Auditors' thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2001.
3. To appoint a Director in place of Shri Ramesh J. Aggarwal 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.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND ON A POLL 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 Register of Members and Share Transfer Books will remain closed from 17th September, 2001 to 22nd September, 2001 (both days inclusive)
3. The dividend as recommended by the Board of Directors, if sanctioned at the Annual General Meeting, shall be paid to those members whose names will stand on the Register of Members of the Company as on 22nd September, 2001.
4. 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 Adam Comsof Limited, Narayan Building, 23, Lakhamshi Napoo Road, Dadar (East), Mumbai-400 014 the Registrars and Share Transfer Agent of the Company.

For and on behalf of the Board

Ramesh J. Aggarwal
Chairman

Place: Mumbai

Dated: 25th June, 2001.

Registered Office:

"TEX-CENTRE"

K- Wing, 3rd Floor,

26'A' Chandivli Road,

Off Saki Vihar Road,

Andheri (East), Mumbai-400 072



KISAN MOULDINGS LIMITED

Twelfth Annual Report 2000-2001

DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting the Twelfth Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March, 2001

Financial Results

	Current Year	Previous Year
	(Rupees in Lacs)	
Profit before depreciation, interest and tax (PBDIT)	239.11	211.61
Less Depreciation	97.48	69.38
Interest & Bank Charges	92.63	74.45
	190.11	143.83
Profit before tax	49.00	67.78
Provision for tax	9.00	9.00
Profit After tax	40.00	58.78
Balance brought forward	99.41	85.42
Balance available for appropriation	139.41	144.20
APPROPRIATIONS		
General Reserve	10.00	10.00
Proposed Dividend & Dividend tax	19.65	34.80
Balance carried forward	109.76	99.40
	139.41	144.20

Performance

Your Company continued to maintain its upward trend by registering a Turnover of Rs. 1337.61 lacs as against Rs.1135.99 lacs in the previous year. General recession in the economy had been the major hindrance in achieving targets. Profit before Depreciation, Interest and Tax increased from Rs.211.61 lacs in the last year to Rs. 239.11 lacs in the current year. However, the ban imposed by Government authorities on construction of new buildings in the region of Gujarat, Rajasthan, Madhya Pradesh and Vidharbh Region of Maharashtra due to shortage of water, had a severe impact on the profit margin from such areas. Moreover, further pressure on account of increased cost of borrowings resulted in decline in profit before tax from Rs. 67.78 lacs to Rs.49.00 lacs

Barring unforeseen circumstances, your Directors are confident of achieving better results in the ensuing year.

Dividend

Your Directors are pleased to recommend a dividend of Re.0.50 per share (5% on par value of Rs.10/-) on the Equity Share Capital of the Company for the year ended 31st March,2001. The dividend if approved at the forthcoming Annual General Meeting will be paid out of the profits of the Company for the year to all those equity shareholders whose names appear on the Register of Members of the Company on 17th September, 2001 being the first day of the book closure and to those, whose names appear as beneficial owners on the records of the National Securities Depository Limited and Central Depository Services (India) Limited on the said date.

RESPONSIBILITY STATEMENT :

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

- That in the preparation of the annual accounts, the applicable accounting standards have been

followed, except Accounting Standard-2 relating to valuation of closing stocks. With a view to comply with Section 145A of the Income-Tax Act, 1961, the Company has valued its stocks at value inclusive of Excise duty, Sales tax, Surcharge on Sales tax and Turnover tax paid on purchases;

- That such accounting policies have been selected and applied 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 the Company as at 31st March, 2001 and of the Profit of the Company for the year ended on that date;
- That 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;
- That the account for the year ended 31st March, 2001 has been prepared on a going concern basis.

DEMATERIALIZATION OF SECURITIES :

Considering the benefits of scripless trading, your Company has decided to have electronic depository facilities for the shares of the Company. The Depository system of holding securities in an electronic form is far safer and more convenient method of holding and trading in the securities of the Company. Accordingly, the Company has entered into tripartite agreement with both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. The Shares of the Company are available in dematerialised segment under ISIN No. INE017CQ1012.

CORPORATE GOVERNANCE

The issue of Good Corporate Governance has assumed increased significance in the recent times. While the recommendations under Corporate Governance as stipulated by the Stock Exchange(s) become mandatory from next financial year, the Company has already complied with most of the recommendations. For this year, though not mandatory, a report on the Corporate Governance is annexed as a part of the Annual Report in the larger interests of the shareholders of the Company.

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, Mr. Ramesh J. Aggarwal and Mr. Vijay J. Aggarwal, Directors of the Company, shall retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The Board of Directors recommends their re-appointment.

During the year under review, Mr. R.M. Vaidya resigned from the Board of the Company. Your Directors place on record their deep appreciation for the valuable contribution made by Mr. R. M. Vaidya during his association with the Company.

Auditors

M/s. Mittal & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B), of the Companies Act, 1956 and have indicated their willingness to continue.

Auditors' Comment

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

**KISAN MOULDINGS LIMITED**

Twelfth Annual Report 2000-2001

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

Statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956, is not given, as none of the employees of the Company is covered under the provisions of the said section.

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 : 25th June, 2001.

Report  junction.com



KISAN MOULDINGS LIMITED

Twelfth Annual Report 2000-2001

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on code of Corporate governance

Kisan Mouldings Limited (KML) is committed to good corporate governance and has benchmarked itself against the best practices in the industry. The Company provides detailed information on various issues concerning the Company's business and financial performance. The Company respects the inalienable rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders.

2. Board of Directors

The Board of Director of KML ("the Board") presently consists of a majority of non-executive/ independent directors, having rich and varied experience. The Board comprises of One (1) executive director and Four (4) non-executive, independent directors.

The constitution of the Board is as given below :

Director	Executive/Non-Executive / Independent	No. of other Directorships
Ramesh J. Aggarwal	Non-Executive	3
Satish J. Aggarwal	Executive	2
Vijay J. Aggarwal	Non-Executive	1
S.S. Gupta	Independent	1
R.D. Suvarana	Independent	-
R.M. Vaidya	Independent*	

* Resigned from the Board w.e.f. 26th June,2001.

Attendance of each director the last AGM

Director	Last AGM attendance(Yes/No)
Ramesh Aggarwal	Yes
Satish Aggarwal	Yes
Vijay Aggarwal	Yes
R.D. Suvarna	Yes
S.S. Gupta	Yes
R.M. Vaidya	Yes

3. Audit committee

Terms of reference

(a) Primary objectives of the audit committee

The Primary objective of the audit committee (the "committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The committee oversees the work carried out in the financial reporting process - by the management, including the internal auditors and the independent auditors - and notes the process and safeguards employed by each.

(b) Scope of the audit committee

1. Provide an open avenue of communication between the independent auditors, internal auditors and the board of directors ("BoD")

2. Meet thrice a year or more frequently as circumstances require. The audit committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
3. Confirm and ensure the independence of the external auditors and objectivity of the internal auditors.
4. Review with independent auditors the co-ordination of audit efforts, to ensure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
5. Consider and review with the independent auditors;
 - (a) The adequacy of internal controls including the computerised information system controls and security, and
 - (b) Related findings and recommendations of the independent auditors and internal auditors together with management's responses.
6. Consider and review with the management, internal auditors and the independent auditors;
 - (a) Significant findings during the year, including the status of previous audit recommendations,
 - (b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information,
 - (c) Any changes required in the planned scope of the internal audit plan.
7. Report periodically to the BoD on significant results of the foregoing activities.

(c) Relationship with independent and internal auditors

The BoD and the committee have the ultimate authority and responsibility to select, evaluate, and, where appropriate, replace the independent auditors in accordance with law. All possible measures must be taken by the committee to ensure the objectivity and independence of independent auditors. These includes :

- obtaining from the independent auditors formal written statements delineating all relationships between the auditors and the company, consistent with applicable regulatory requirements,
- actively engaging in dialogues with the auditors with respect to any disclosed relationships or services that may impact their objectivity and independence and take, or recommend that the full BoD take appropriate action to ensure their independence, and
- require and encourage the independent auditors to open and have frank discussions on their judgements about the quality, not just the acceptability of the company's accounting principles as applied in its financial reporting, including such issues as the clarity of the company's financial disclosures and degree of aggressiveness or conservatism of the company's accounting principles and underlying estimates and other significant decisions made by the management in preparing the financial disclosure and audited by them.

Composition of the audit committee

1. The committee shall comprise of minimum 3 Members, all being non-executive directors with majority of them being independent Directors and with at least one Director having financial and accounting knowledge. Further, 2/3rd of the total members of the committee shall be Directors other than managing or whole-time Director. They should be diligent, knowledgeable, dedicated, interested in the job and willing to devote a substantial amount of time and energy to the responsibilities of the committee, in addition to BoD responsibilities. The members of the committee shall be elected by the BoD and shall continue until their successors are duly elected. The duties and responsibilities of a member are in addition to those applicable to a member of the BoD. In recognition of the time burden associated with the service and, with a view to bring in fresh insight, the committee may consider limiting the term of audit committee service, by automatic rotation or by other means. One of the members shall be elected as the Chairman either by the full BoD or by the members themselves, by majority vote.



KISAN MOULDINGS LIMITED

Twelfth Annual Report 2000-2001

2. The BoD may, under exceptional and limited circumstances, waive this requirement, if it is of the view that the concerned member is required in the committee, in the best interests of the Company and its shareholders. However, the BoD shall disclose, in the next Annual Report subsequent to such determination, the nature of the relationship and the reasons for that determination.

The presently constituted audit committee consists of the following directors:

Name	Designation	Executive, Non-executive / Independent
S.S. Gupta	Chairman	Non-executive, Independent
Ramesh Aggarwal	Member	Non-executive
Vijay Aggarwal	Member	Non-executive

Constitution of the audit committee has taken place with effect from 20th June, 2001 and accordingly no Committee meeting has been held during the current fiscal.

4. Investors Grievances Committee

Terms of Reference

The committee oversees the share transfers and monitors redressal of investor grievances.

Composition

The members of the company's investors grievances committee are :

Name	Designation	Executive, Non-executive / Independent
Ramesh J. Aggarwal	Chairman	Non-executive
Vijay J. Aggarwal	Member	Non-executive
S.S. Gupta	Member	Non-executive / Independent

Mr. S.S. Gupta, Member of the Investors grievances Committee is the Compliance officer.

Share Transfer System

Shares sent for physical transfer are generally registered and returned within a period of 15-20 days from the date of receipt, if the documents are clear in all respects. The Investors grievances committee of the Company meets as often as required.

Number of shareholder complaints received, number not solved to the satisfaction of the shareholder and number of pending transfers

Particulars	Year Ended March 31, 2001	
	Received	Attended to
No. of Shareholders Complaint letters	72	72

Pending Transfers - Nil except if restrained by court orders or due to stop transfers.

5. General Body Meetings.

Location and time for the last three AGMs

Year	Date	Venue	Time
1997- 98	05/09/1998	Vishal Hall, Sir Mathuradas Vasanji Road, Andheri (East), Mumbai - 400 099	10:00 a.m
1998-99	09/09/1999	Auditorium of All India Plastic Manufacturers Association, A-52, Street No.1, M.I.D.C., Andheri (East), Mumbai - 400 093.	10.00 a.m.