

FOURTEENTH
ANNUAL REPORT
2002-2003

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THE MARK OF EXCELLENCE

KISAN MOULDINGS LIMITED

FINANCIAL HIGHLIGHTS

OPERATING RESULTS

(Rupees In Lacs)

	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95
INCOME									
Sales / Income from Operations	1548	1332	1338	1136	926	782	743	928	215
Other Income	19	20	2	3	21	20	17	2	0
	1567	1352	1340	1139	947	802	760	930	215
EXPENDITURE									
Materials & Overheads (+/- Stock Adj.)	1310	1112	1101	927	754	622	580	786	158
PROFIT BEFORE INTEREST & DEPRECIATION	257	240	239	212	193	180	180	144	57
Less: Interest (Net)	105	108	93	69	80	87	98	44	14
PROFIT BEFORE DEPRECIATION	152	132	146	143	113	93	82	100	43
Less: Depreciation	96	94	97	75	60	61	52	31	14
PROFIT BEFORE TAX	56	38	49	68	53	32	30	69	29
Less: Provision for Tax	18	14	9	9	9	4	4	6	0
NET PROFIT AFTER TAX	38	24	40	59	44	28	26	63	29
DIVIDEND (%)	5	5	5	8	8	-	-	12	12
EARNINGS PER SHARE (Rs.)	1.06	0.67	1.12	1.65	1.23	0.79	0.72	1.79	0.82
SHAREHOLDERS' FUNDS	428	*410	506	486	462	450	421	394	**1202
GROSS BLOCK	1175	1012	985	790	508	513	506	406	244

* Deferred Tax Liability relating to Previous years amounting to Rs. 102 Lacs provided during the year out of Profit and Loss Account.

** Includes Share Application Money



KISAN MOULDINGS LIMITED

BOARD OF DIRECTORS

RAMESH J. AGGARWAL - Chairman
R. D. SUVARNA
S. S. GUPTA
S. K. JAIN
VIJAY J. AGGARWAL
SATISH J. AGGARWAL - Managing Director

AUDITORS

M/s. MITTAL & ASSOCIATES
Chartered Accountants

COMPANY LAW ADVISORS

M/s. RATHI & ASSOCIATES
Company Secretaries

BANKERS

UNION BANK OF INDIA
PUNJAB NATIONAL BANK

REGISTERED AND ADMINISTRATIVE OFFICE

'TEX CENTRE', K Wing, 3rd Floor, 26-A, Chandivali Road, Near HDFC Bank,
Off Saki Vihar Road, Andheri (East), Mumbai - 400 072.

WORKS

L - 43 & 45, MIDC, Tarapur - Boisar, Dist. Thane .

REGISTRAR AND SHARE TRANSFER AGENT

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

LISTING

The Stock Exchange, Mumbai
Madhya Pradesh Stock Exchange

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From the Chairman's Desk

Your Company believes in building long-term relationship with customers and seeks to become strategic partner in supporting their business growth and competitiveness. This policy has helped your Company to spread its wings wide enough to cover almost the entire Country, through the strong and dedicated dealer network.

Despite the uncertainties in the business environment, during the year 2002-2003, your Company has achieved improved performance and the turnover for the year was Rs. 1547.83 Lacs registering a growth of 16% over the previous year.

The future of our growth is driven by increasing need of the user industries to keep up with the ever increasing demand. With the advent of new products, technology and new areas of uses of plastic products, the industry provides a good potential for growth. The Company is well positioned to take advantage of these opportunities. Traditionally Fittings and Pipes used to be of Steel, Cast Iron or Cement. Plastics have a distinct advantage over them in terms of their life, corrosion, breakage, rusting etc. Thus in future the use of Plastic Products is bound to grow.

The Company has designed and introduced a revolutionary concept for Rainwater Collection, Storage and Roof Top Harvesting under the brand name of "KisaN BARISH RAINWATER SYSTEMS" last year which is the Country's first customised range of pipes and leak proof fittings designed to collect and direct the flow of rainwater to desired storage destinations.

The Company's opportunities lie in the adequate demand for the Plastic Moulded Fittings which have various applications in agriculture irrigation systems and other industries. The Company is proactively responding to the changing business environment and is confident of sustaining its market share by improving competitive position in the market. The Company has recently introduced a new range of its economy products under the brand name "KisaN-ASIAD" to enhance the Company's penetration in the market. The Company has so far received good response for the "KisaN-ASIAD" products.

The Company continues to examine the possibilities of expansion and will make the necessary investments as and when attractive opportunities arise. During the previous year the Company has embarked upon expansion project of Rs. 190 Lacs with financial assistance of Rs. 145 Lacs from its bankers, as a result of which the installed capacity

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has increased from 3320 TPA to 3700 TPA. The Company is taking initiatives for accessing overseas markets besides building its firm position in the domestic market. The exports during the year were Rs. 31.69 Lacs. The Company is confident of improving its overseas market position and has already established its presence in South East Countries and is poised to enter new markets.

With a view to improve the future performance, the Company has approached the Bankers for converting its high cost Working Capital Facilities and Term Loans into low cost Foreign Currency Loans for saving the interest cost. The Company has already succeeded in converting Working Capital Facilities from one of the Banks into Foreign Currency Loans and is confident of being sanctioned the same facility from other Consortium Bank as well.

The Company has also installed Power Saving Devices at its Plants to cut power cost, which plays a major role in cost structure of PVC Products. The Company has also been awarded with the ISO 9001 Certificate during the year. The introduction of the above measures will certainly have its impact in improving the Company's performance in the coming years.

I am eagerly looking forward to meet you at the Annual General Meeting slated on 13th September, 2003.

With warm regards,

Place: Mumbai

Dated: 28th June, 2003

Ramesh J. Aggarwal
Chairman

KISAN MOULDINGS LIMITED

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of **Kisan Mouldings Limited** will be held at "TEX CENTRE", 'K' Wing, 3rd Floor, 26 'A' Chandivali Road, Near HDFC Bank, Off. Saki Vihar Road, Andheri (East), Mumbai - 400 072 on Saturday, the 13th day of September 2003 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2003 and Balance Sheet as on that date alongwith the Reports of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Shri S.K. Jain, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Ramesh J. Aggarwal, who retires by rotation at the ensuing Annual General Meeting 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.

For and on behalf of the Board

Place: Mumbai
Dated: 28th June, 2003

Ramesh J. Aggarwal
Chairman

REGISTERED OFFICE :

"TEX CENTRE",
'K' Wing, 3rd Floor,
26 'A' Chandivali Road,
Near HDFC Bank,
Off Saki Vihar Road,
Andheri (East),
Mumbai - 400 072.

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 (fortyeight) hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books will remain closed from Monday, the 8th day of September, 2003 to Saturday, the 13th day of September, 2003 (both days inclusive).
4. 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 appear on the Register of Members of the Company on 8th September, 2003 and to those whose names appear as beneficial owners on the records of National Securities Depository Limited and Central Depository Services (India) Limited on the said date.
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 Adam Comsof Limited, Narayan Building, 23, Lakhamshi Napoo Road, Dadar (East), Mumbai - 400 014, the Registrar and Share Transfer Agent of the Company.

BRIEF RESUME OF PERSONS PROPOSED TO BE RE-APPOINTED AS DIRECTORS OF THE COMPANY AT THE ANNUAL GENERAL MEETING:

Name	Shri S.K. Jain	Shri Ramesh J. Aggarwal
Age	57 years	60 Years
Qualification	B. Sc., C.A.I.I.B.	B. Com
Nature of Expertise	Wide experience in the field of banking and associated with the Punjab National Bank for a long period of time.	Have over 30 years of experience in Manufacturing and Marketing of rigid PVC Pipes and Fittings.
Name of Companies in which also holds Directorship	Jain Sahakari Bank Limited	Gaurav Agro Plast Limited Kisan Irrigations Limited Kisan Extrusions Limited
Name of the Companies in Committees of which also holds membership / chairmanship.	None	None

For and on behalf of the Board

Place: Mumbai
Dated: 28th June, 2003

Ramesh J. Aggarwal
Chairman

KISAN MOULDINGS LIMITED

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2003.

Financial Results:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Sales	1547.83	1332.07
Profit before Depreciation, Interest and Tax (PBDIT)	256.75	240.48
Less: Depreciation	96.18	94.29
Less: Interest & Bank Charges	104.85	108.58
Profit before Tax	55.72	37.61
Less: Provision for Tax	17.89	13.77
Profit after Tax	37.83	23.84
Balance brought forward	105.78	109.76
Profit available for Appropriation	143.61	133.60
APPROPRIATIONS:		
General Reserve	15.00	10.00
Dividend	17.82	17.82
Tax on Dividend	2.28	Nil
Profit carried forward	108.51	105.78
Total	143.61	133.60

Performance:

The year has been good for the Company with Sales during the year increasing by 16% to Rs. 1547.83 Lacs and Profitability by 48% to Rs. 55.72 Lacs. This improved performance is due to introduction of new products to the Company's exhaustive range of Plastic Moulded Fittings, meticulous planning and aggressive marketing.

To save interest costs and thereby to improve the future performance, your Company has approached the Financial Institutions and Banks to convert its Working Capital Facilities and Term loans into Foreign Currency Loan.

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, 2003.

*Fourteenth Annual Report 2002-2003***Directors' Responsibility Statement:**

Pursuant to the requirements of 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.
- they have selected such accounting policies and applied them consistently (except as stated above) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- they have prepared the annual accounts on a going concern basis.

Corporate Governance:

Reports on Management Discussion and Analysis and Corporate Governance along with a Certificate from the Auditors of the Company regarding compliance of the requirements of Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are annexed hereto.

Fixed Deposits:

During the financial year under consideration, your Company had neither accepted nor renewed any deposit from public within the meaning of Section 58A 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 S.K. Jain and Shri Ramesh J. Aggarwal, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. A brief profile of Shri S.K. Jain and Shri Ramesh J. Aggarwal, as required by Clause 49 VIA of the Listing Agreement with the Stock Exchanges is given with the Notice of the ensuing Annual General Meeting.

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 in the said office.

KISAN MOULDINGS LIMITED

Auditors' Comments:

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo: 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 for the year ended 31st March, 2003:

A. CONSERVATION OF ENERGY

	Unit	2002-2003	2001-2002
Electricity			
(a) Purchased	KWH	22,47,216	22,79,081
Total Amount	Rs. in Lacs	80.77	83.11
Average rate per unit	Rs./KWH	3.59	3.65
(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. 31.69 Lacs
Total Foreign Exchange used	Rs. 0.25 Lac

Particulars of Employees:

During the year under review, none of the employees of the Company, whether employed for the whole year or part thereof, was in receipt of remuneration aggregating to or in excess of the limits specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, and hence, no particulars are required to be furnished in connection with the same.

Acknowledgements:

Your Directors take this opportunity to express their gratitude for the support and co-operation from the Investors, Financial Institutions, Banks, Statutory Authorities, Customers and Suppliers. 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

Place: Mumbai
 Dated: 28th June, 2003

Ramesh J. Aggarwal
 Chairman