

FIFTEENTH
ANNUAL REPORT
2003-2004

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THE MARK OF EXCELLENCE

KISAN MOULDINGS LIMITED



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

BANKER

UNION BANK OF INDIA

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 (Maharashtra).

REGISTRAR AND SHARE TRANSFER AGENT

Sharex (India) Pvt. Ltd.,
17/B, Dena Bank Building,
2nd Floor, Horniman Circle,
Fort, Mumbai - 400 001.

LISTING

The Stock Exchange, Mumbai
Madhya Pradesh Stock Exchange.

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NOTICE

NOTICE is hereby given that the Fifteenth 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 **Tuesday, the 21st day of September, 2004 at 11:00 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2004 and Balance Sheet as on that date alongwith the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Shri Vijay J. Aggarwal, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R. D. Suvarna, who retires by rotation at this 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.

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 as per the recommendation of Remuneration Committee and pursuant to the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded for the re-appointment of Shri Satish J. Aggarwal as the Managing Director of the Company for a period of three years with effect from 1st October, 2004 upon the terms and subject to the conditions including the 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 re-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 in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Managing Director shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Managing Director".

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"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps and do all necessary things in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee(s) / Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matters related thereto."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 1956 and Clause 6.1 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, as may be agreed to by the Board of Directors of the Company (herein after referred to as 'the Board' which term shall be deemed to include any Committee thereof), consent of the Company be and is hereby accorded to the Board to delist the Equity Shares from the Madhya Pradesh Stock Exchange."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares, as it may, in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee(s) / Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as may be necessary to give effect to the aforesaid resolution and matters related thereto."

For and on behalf of the Board

Place: Mumbai
Dated: 28th June, 2004

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.

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 / HERSELF AT THE MEETING 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. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Managing Director, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
4. The Register of Members and Share Transfer Books will remain closed from Wednesday, 15th September, 2004 to Tuesday, 21st September, 2004 (both days inclusive).
5. The payment of dividend, if any, declared at the Annual General Meeting, will be made to those shareholders whose names appear on the Company's Register of Members on 21st September 2004 or to their nominees. In respect of shares held in dematerialized form, dividend will be paid to the beneficial owners as at the end of business hours on 14th September, 2004 as per the details to be received from Depositories for the purpose. Dividend warrants shall be dispatched within thirty days from the date of the Annual General Meeting.
6. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at Sharex (India) Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001 in respect of their physical share folios.
7. Members are requested to bring their copy of Annual Report to the Meeting.
8. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
9. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 6 and 7 is appended hereto.

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

Name	Shri Vijay J. Aggarwal (retiring by rotation)	Shri R. D. Suvarna (retiring by rotation)	Shri Satish J. Aggarwal (re-appointment as Managing Director)
Age	59 years	63 years	56 years
Qualification	Commerce Graduate	B. A. (Hons) (spl.), LL.B.	Science Graduate
Nature of Expertise & Experience	Administration and Production 30 years of experience	Practicing as an Advocate in High Court, Mumbai and Bombay City Civil Court, Co-operative Court and Debt Recovery Tribunal, Mumbai for over 35 years	Marketing and Finance 28 years of experience

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Name of Companies in which also holds Directorship	Bhagirath Agro Plast Ltd.	None	Kisan Irrigations Ltd. Kisan Extrusions Ltd.
Name of the Companies in Committees of which holds membership/ chairmanship	None	None	None

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 6:**

The present term of office of Shri Satish J. Aggarwal as the Managing Director of the Company will expire on 30th September, 2004. As per the recommendation of the Remuneration Committee, the Board of Directors at its meeting held on 28th June, 2004 have approved, subject to the approval of the members at the general meeting, the re-appointment of Shri Satish J. Aggarwal as the Managing Director of the Company for a further period of 3 (three) 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:

I. Period: 1st October, 2004 to 30th September, 2007.

II. Remuneration:

a) Salary: Rs. 30,000/- per month including dearness and all other allowance

b) Perquisites: Perquisites shall be restricted to an amount equal to the annual salary

(i) Housing:

A. The expenditure by the Company on hiring furnished accommodation for the Managing Director subject to a ceiling of sixty percent of the salary

B. In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to a ceiling laid down in sub-para 'A' above

(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 months' 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.

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/-.

(vi) (a) Company's contribution towards Provident Fund as per the rules of the Company**(b) Company's contribution towards Superannuation Funds as per 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, 1961.

(vii) Gratuity:

As per rules of the Company

(viii) Earned Leave:

On full pay and allowances as per rules of the Company, but not exceeding one month's leave for 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.

- III. The remuneration by way of salary or perquisites payable by the company to the Managing Director shall not exceed the limits laid down in Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof.
- IV. 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.
- V. In the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Managing Director shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Managing Director.
- VI. The Managing Director shall not, so long as he functions as such, be paid any sitting fees for attending meetings of the Board of Directors or any Committees thereof.
- VII. The Company shall reimburse to the Managing Director entertainment, traveling and all other expenses incurred by him for the business of the Company.
- VIII. 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.

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- IX. During such time as Shri Satish J. Aggarwal holds and continues to hold the office of the Managing Director, he shall not be liable to retirement by rotation as a Director.
- X. The Agreement may be terminated at any time by either party thereto by giving to the other party six months notice of such termination and neither party will have any claim against other for damages or compensation by reason of such termination. In any event, the Managing Director shall not be entitled for any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.

The appointment of Shri Satish J. Aggarwal as the Managing Director of the Company, would require the consent of the shareholders of the Company pursuant to Section 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and subject to the limits laid down in Schedule XIII to the said Act. The said resolution is therefore, recommended for your approval.

Shri Satish J. Aggarwal is concerned or interested in the resolution proposed vide Item No. 6 for his re-appointment as the Managing Director. Shri Ramesh J. Aggarwal and Shri Vijay J. Aggarwal are also concerned or interested as relatives of Shri Satish J. Aggarwal.

Item No. 7:

As the members are aware, the shares of the Company are presently listed with the Stock Exchange, Mumbai and the Madhya Pradesh Stock Exchange.

The bulk of the trading of the Company's Equity Shares takes place at the Stock Exchange, Mumbai. It has been observed that the trading in Equity Shares in past few years on the Madhya Pradesh Stock Exchange is rare and negligible and is disproportionate to the listing fees payable by the Company to the Madhya Pradesh Stock Exchange. No particular benefit is available to the shareholders by continuing the listing of the Equity Shares on the Madhya Pradesh Stock Exchange. The proposed delisting of the Company's Equity Shares on the Madhya Pradesh Stock Exchange will not be prejudicial to, or effect the interest of the shareholders. Hence, the company is contemplating the possibility of delisting of its Equity Shares from the Madhya Pradesh Stock Exchange for the present.

As per the recent Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, a relative simplified procedure is required to be followed in case subsequent to the delisting of the shares from one or more Stock Exchange(s), the Company continue to be listed at a Stock Exchange having nation wide terminals such as the Stock Exchange, Mumbai or the National Stock Exchange.

It is accordingly proposed to give the authority to the Directors to delist the shares of the company from the Madhya Pradesh Stock Exchange where trading volume are not large.

The Company's Equity Shares will continue to be listed on the Stock Exchange, Mumbai.

In terms of the Delisting Guidelines, a public announcement regarding the proposed delisting will be published. The delisting will take effect only after all approvals, permissions and sanctions have been received.

The directors recommend this resolution for approval of shareholders.

None of the Directors of the company is concerned or interested in this resolution.

For and on behalf of the Board

Place: Mumbai
Dated: 28th June, 2004

Ramesh J. Aggarwal
Chairman

KISAN MOULDINGS LIMITED

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March, 2004.

Financial Results:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Sales	1928.08	1547.83
Profit before Depreciation, Interest and Tax (PBDIT)	279.84	256.75
Less: Depreciation	117.31	96.18
Less: Interest & Bank Charges	90.77	104.85
Profit before Tax	71.76	55.72
Less: Provision for Tax	19.01	17.89
Profit after Tax	52.75	37.83
Balance brought forward	108.51	105.78
Profit available for Appropriations	161.26	143.61

APPROPRIATIONS:

(Rs. in Lacs)

General Reserve	15.00	15.00
Dividend (including Tax on Dividend)	24.13	20.10
Balance carried forward	122.13	108.51
TOTAL	161.26	143.61

Performance:

The turnover of the Company has considerably increased from Rs. 1547.83 Lacs in the previous year to Rs. 1928.08 Lacs for the year ended 31st March, 2004. Due to implementation of measures for saving in costs, Profit before Depreciation, Interest and Tax increased from Rs. 256.75 Lacs in the previous year to Rs. 279.84 Lacs for the year under review. The Profit before Tax has increased from Rs. 55.72 Lacs to Rs. 71.76 Lacs for the year under review. The Net Profit after Tax for the year under review after providing for taxation is Rs. 52.75 Lacs as against Rs. 37.83 Lacs in the previous year.

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. 0.60 per share (6% on par value of Rs. 10/-) on the Equity Share Capital of the Company for the year ended 31st March 2004. The dividend, if approved, at the ensuing Annual General Meeting will be paid out of the profits of the Company for the year under review to all those equity shareholders whose names appear on the Company's Register of Members on 21st September 2004 or to their nominees. In respect of shares in dematerialized form, dividend will be paid to the beneficial owners as at the end of business on 14th September 2004 as per the details to be received from Depositories for the purpose.

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Change in Registrar and Transfer Agent :

The Company has appointed Sharex (India) Pvt. Ltd. as the new Registrar and Transfer Agent (RTA) in place of Adam Comsof Limited w.e.f. 1st May, 2004. The address of the new RTA is given in the 'General Shareholders Information' Para of the Corporate Governance Report attached hereafter.

Directors' 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.
- 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.
- the attached Statement of Accounts for the year ended 31st March, 2004 have been prepared on a going concern basis.

Corporate Governance:

A Report on Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the requirements of Corporate Governance, as also a Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are annexed hereto.

Public Deposits:

The Company has not accepted any deposits from the public.

Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Vijay J. Aggarwal and Shri R. D. Suvarna, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Shri Satish J. Aggarwal's term of office as the Managing Director of Company expires on 30th September, 2004. The members are requested to consider his re-appointment for a fresh term of three years w.e.f. 1st October, 2004 as the Managing Director of the Company.

A brief profile of Shri Vijay J. Aggarwal, Shri R. D. Suvarna and Shri Satish J. Aggarwal, as required by Clause 49VIA of the Listing Agreement with the Stock Exchanges is given in the Notice of the ensuing Annual General Meeting.