



PE-AL-PE COMPOSITE PIPES

UPVC SWR PIPES & FITTINGS

MOULDED AGRI FITTINGS

UPVC CONDUIT PIPES & FITTINGS

RAIN WATER HARVESTING SYSTEMS

HOME DECOR MOULDED FURNITURE

SOLVENT CEMENT

CISTERNs & SEAT COVERS

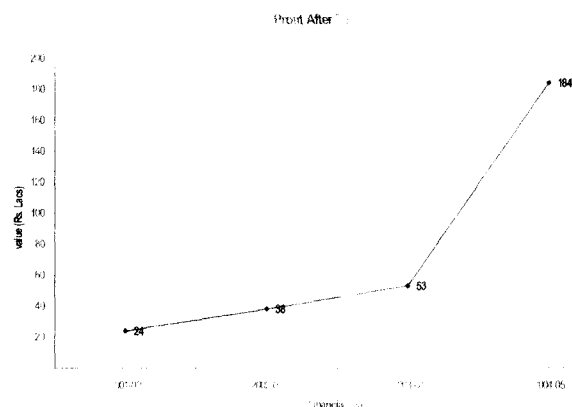
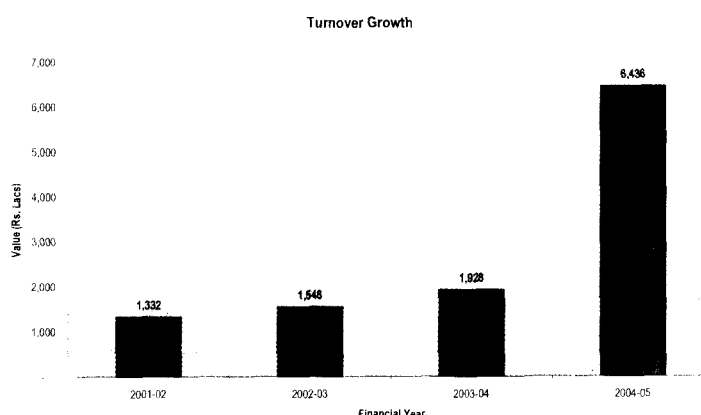
Diverse Products
One Ambition "GROWTH"

KISAN MOULDINGS LTD.

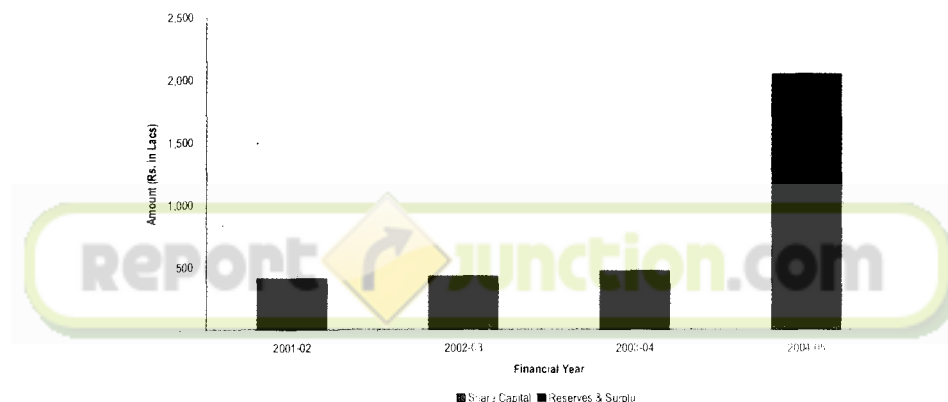
Annual Report 2004 - 05

ISO 9001: 2000 Certified Company

Kisan Mouldings Ltd. - A story of consistent growth



Shareholders' Funds



Consistent Track Record of dividend for seven consecutive years



Launching PVC Conduit Fittings in the Market



Introducing PE-AL-PE Composite Pipes and Fittings - The New Generation Plumbing System



Addition of New Products due to business restructuring
 Moulded Furniture, Moulded Agri. Fittings and Suction Pipes
 PVC Solvent, Rubber Lubricant



KISAN MOULDINGS LIMITED

BOARD OF DIRECTORS

RAMESH J. AGGARWAL - Chairman
 SATISH J. AGGARWAL - Managing Director
 R. D. SUVARNA
 S. S. GUPTA
 S. K. JAIN
 VIJAY J. AGGARWAL
 T. B. SUBRAMANIAM (Appointed w.e.f. 30.08.2005)
 SANJEEV A. AGGARWAL (Appointed w.e.f. 30.08.2005)
 ASHOK J. AGGARWAL (Appointed w.e.f. 30.08.2005)

AUDITORS

M/s. MITTAL & ASSOCIATES
 Chartered Accountants

COMPANY LAW ADVISORS

M/s. RATHI & ASSOCIATES
 Company Secretaries

BANKERS

PUNJAB NATIONAL BANK
 UNION BANK OF INDIA
 THE SHAMRAO VITHAL CO-OP. BANK LTD.
 JANAKALYAN SAHAKARI BANK LTD.

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)
 T-110/111, MIDC Tarapur-Boisar, Dist. Thane (Maharashtra)
 Survey No. 34/1/1, Village-Umerkui, Silvassa-D. & N. H. (U.T.)

REGISTRAR AND SHARE TRANSFER AGENT

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

LISTING

Bombay Stock Exchange Limited
 Madhya Pradesh Stock Exchange

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KISAN MOULDINGS LIMITED

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of **Kisan Mouldings Limited** will be held at 'Tex Centre', L-Wing, 3rd Floor, 26A, Chandivali Road, Near HDFC Bank, Off. Saki Vihar Road, Andheri (East), Mumbai - 400 072 on Saturday, the 22nd day of October, 2005 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, 2005 and the 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 Mr. S. S. Gupta, 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 Mr. S. K. Jain, 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.

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 Mr. T. B. Subramaniam, who was appointed as an Additional Director of the Company with effect from 30th August, 2005 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and who would hold office till the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice from a shareholder under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. T. B. Subramaniam for the office of the Director, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."

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

"RESOLVED THAT Mr. Sanjeev A. Aggarwal, who was appointed as an Additional Director of the Company with effect from 30th August, 2005 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and who would hold office till the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice from a shareholder under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Sanjeev A. Aggarwal for the office of the Director, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."

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

"RESOLVED THAT Mr. Ashok J. Aggarwal, who was appointed as an Additional Director of the Company with effect from 30th August, 2005 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and who would hold office till the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice from a shareholder under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Ashok J. Aggarwal for the office of the Director, be and is hereby appointed as a Director of the Company whose office shall be liable to retirement by rotation."

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

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten Only) each by creation of an additional 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each."

"RESOLVED FURTHER THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause "V" of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by deleting the same and substituting in its place, the following as new Clause "V" :

- V. The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten only) each with the rights, privileges and conditions

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attaching thereto as are provided by the Articles of Association of the Company for the time being, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered, by them in the best interest of the company."

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and the following article be substituted in its place as new Article 3 :

3. The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each."

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

"RESOLVED THAT in accordance with the provisions of Section 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to the permission(s), sanction(s) and approval(s) of the SEBI, Reserve Bank of India (RBI), Bombay Stock Exchange Ltd., (BSE) and such other authorities as may be required from time to time and subject to such conditions, modifications and alterations as may be prescribed by any one of them while granting such permission(s), sanction(s) and approval(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) at its sole discretion, the consent, authority and approval of the Company be and is hereby accorded to the Board for the issue and allotment at par of 4 (four) number of Equity Shares of Rs.10/- each of the Company to the shareholder(s) of Gaurav Agro Plast Limited (GAPL) in exchange of every 5 (five) number of equity shares of Rs. 10/- each fully paid up held by it/them in GAPL in accordance with the Scheme of Amalgamation of GAPL with the Company as approved by the members in the Court convened meeting held on 17th March, 2005 and approved by the Hon'ble High Court of judicature at Bombay vide its order dated 5th August 2005."

"RESOLVED FURTHER THAT in the event of any shareholder of GAPL becoming entitled to any fraction of the shares of the Company as a result of such issue, no fractional shares shall be issued by the Company and such fractions shall be consolidated into whole shares and the Board of Directors of the Company will allot such shares to any person or persons as they may, in their absolute discretion, deem fit for the purpose of holding and selling such whole shares at such time or times at such price or prices as may be approved by the Board of Directors of the Company and the aggregate sale proceeds of such whole shares, after defraying all costs, charges and expenses of sale, shall be distributed and divided pro-rata amongst such members of GAPL as would otherwise have been entitled to such fractions of the shares of the Company pursuant to the Scheme."

"RESOLVED FURTHER THAT the Board be also authorized to seek listing of the new equity shares to be issued as above on the Bombay Stock Exchange Limited in consultation with Advisor(s) appointed for the said purpose, as may be deemed appropriate, fit and proper by the Board."

"RESOLVED FURTHER THAT the equity share(s) so allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the then existing equity shares of the Company including dividend and voting rights."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such actions and to give all such directions, or to do all such acts, deeds, matters and things as may be necessary or desirable and to settle any question or difficulty that may arise in this regard for the purpose of giving effect to the above Resolutions."

12. 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 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered, amended and/or substituted in the manner and to the extent set out herein:



KISAN MOULDINGS LIMITED

A. Deletion of Article 101 of the Articles of Association and substituting in place thereof the following as new Article 101:

101. Until otherwise determined by the Company in General Meeting, each Director other than the Managing Director and Whole-Time Director shall be entitled to receive out of the funds of the Company such fee for his services in attending meetings of the Board or Committees thereof, as may be determined by the Board of Directors from time to time in accordance with the provisions of the act.

B. Deletion of Article 130 of the Articles of Association and substituting in place thereof the following as new Article 130:

130. Subject to the provisions of section 269, 309, 310 and other applicable provisions of the Act, read with Schedule XIII to the said Act (as may be amended or modified or re-enacted from time to time), a Managing Director or Whole Time Director shall, in addition to the usual remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration as may from time to time be sanctioned by the Board of Directors and which may be by way of fixed salary or at a specified percentage of the net profits of the Company or both provided that aggregate of such additional remuneration together with the usual remuneration shall not exceed five percent for any one Managing or Whole Time Director and ten percentage for all of them together, subject to the Provisions of Schedule XIII to the Act."

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

"**RESOLVED THAT** pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which shall include any Committee(s) thereof), to borrow from time to time all such sum(s) of money (including by way of External Commercial Borrowings in foreign denominated currencies from any foreign sources/foreign countries as prescribed by the guidelines in this regard) as the Board may deem requisite for the purpose of the Company, not withstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company and outstanding (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company i.e. reserves not set apart for any specific purpose, and provided that the total amount borrowed / to be borrowed by the Board of Directors shall not, at any time, exceed the limit of Rs.100,00,00,000/- (Rupees One Hundred Crores only)."

"**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."

For and on behalf of the Board

Place : Mumbai
Dated : 19th September, 2005

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 IS ALSO 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 Saturday, 24th September 2005 to Friday, 30th September 2005 (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 30th September 2005 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 23rd September 2005 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 of the Companies Act, 1956, in respect of Item No. 6 to 13 is appended hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**Item Nos. 6 to 8:**

Mr. T. B. Subramaniam, Mr. Sanjeev A. Aggarwal and Mr. Ashok J. Aggarwal were appointed as Additional Directors of the Company on 30th August, 2005. In accordance with the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, all the above additional directors hold office only up to the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment. The Company has received notices from Shareholders pursuant to Section 257 of the said act, in respect of each of the candidates, proposing their respective appointment as a Director of the Company, along with the requisite deposits.

Details regarding the persons proposed to be appointed and their brief resume have been given in the Annexure attached to the Notice. Keeping in view of the experience and expertise of these persons, their appointment as Directors of the Company is recommended.

Mr. T. B. Subramaniam, Mr. Sanjeev A. Aggarwal and Mr. Ashok J. Aggarwal may be deemed to be interested in the resolution relating to their respective appointment. Shri Ramesh J. Aggarwal, Shri Satish J. Aggarwal and Shri Vijay J. Aggarwal are also concerned or interested in the appointment of Shri Sanjeev A. Aggarwal and Shri Ashok J. Aggarwal being their relatives. Apart from the above Directors, no other Directors shall be deemed to be concerned or interested in the said resolutions.

Item No. 9 & 10:

At present, the Authorised Share Capital of the Company is Rs. 5,00,00,000/- divided into 50,00,000 Equity Shares of



KISAN MOULDINGS LIMITED

Rs.10/- each. The Hon'ble High Court of judicature at Bombay has approved the Scheme of Amalgamation of Gaurav Agro Plast Limited with the Company vide order dated 5th August 2005. As per the terms of the said Scheme of Amalgamation, the Company needs to issue and allot at par of 4 (four) number of equity shares of Rs.10/- each of the Company to the shareholder(s) of Gaurav Agro Plast Limited (GAPL) in exchange of every 5 (five) number of equity shares of Rs. 10/- each fully paid up held by it/them in GAPL. With a view to accommodate the same and also for future expansions, it is considered necessary to increase the Authorised Share Capital from the present Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.

Pursuant to Section 94 of the Companies Act, 1956, the above proposal requires the approval of the shareholders. The resolution proposed vide item no. 9, if approved, would also result into amendment of Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company. The approval of the shareholders would be required for amendment of both vide Sections 16 and 31 of the said act, respectively.

The resolutions proposed in item nos. 9 and 10 are therefore, recommended for your approval.

None of the Directors shall be deemed to be concerned or interested in the said resolutions.

Item No. 11:

The Hon'ble High Court of judicature at Bombay has approved the Scheme of Amalgamation of Gaurav Agro Plast Limited with the Company vide order dated 5th August 2005. As per the terms of the said Scheme of Amalgamation the Company needs to issue and allot at par of 4 (four) number of equity shares of Rs.10/- each of the Company to the shareholder(s) of Gaurav Agro Plast Limited (GAPL) in exchange of every 5 (five) number of equity shares of Rs. 10/- each fully paid up held by it/them in GAPL.

Pursuant to Section 81(1A) of the Companies Act, 1956, the issue of shares as aforesaid requires the approval of the shareholders.

The Board recommends this resolution for your approval.

The Directors of the Company shall be deemed to be concerned or interested in the said resolution to the extent of the equity shares that may be allotted to them respectively.

Item No. 12:

In view of the increasing involvement of the Non-Executive Directors in the affairs of the Company, wherein they are required to contribute their experience, expertise and knowledge frequently at the meetings of the Board of Directors and Committees thereof, it is proposed to suitably compensate them by way of sitting fees for attending meetings of the Board or Committees thereof.

Also looking into the involvement of the Executive Directors of the Company in the day to day affairs of the Company, it is proposed to reward them suitably by providing, in addition to the usual remuneration payable to him as a Director of the Company, such additional remuneration as may from time to time be decided by the Board of Directors of the Company within the limits prescribed by the Companies Act, 1956.

For the above, the Company needs to suitably amend the relevant Articles in the Articles of Association in relation to the remuneration payable to Managing Director and Whole Time Directors and for sitting fees payable to the Non-Executive Directors.

The Directors of the Company shall be deemed to be concerned or interested in the said resolution to the extent of remuneration and/or sitting fees being payable to each of them respectively.

Item No. 13:

The Company has plans to raise resources for expansion of its existing business and for working capital requirement. Taking into account the requirements for additional finance for working capital, expansion, diversification and modernisation

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programmes to be undertaken by the Company on an on-going basis, it is proposed to obtain the consent of the members up to Rs. 100 Crores. This will also enable smooth conduct of the day to day business of the Company.

Under Section 293(1)(d) of the Companies Act, 1956 the Board of Directors shall not, except with the consent of the Company in General Meeting, borrow moneys (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid-up capital and free reserves of the Company. Hence the resolution as set out is proposed.

The Board recommends this resolution for your approval.

None of the Directors of the Company is concerned or interested in the resolution.

For and on behalf of the Board

Place : Mumbai
Dated : 19th September, 2005

Ramesh J. Aggarwal
Chairman

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

Name	Shri S. S. Gupta (retiring by rotation)	Shri S.K. Jain (retiring by rotation)	Shri T. B. Subramaniam	Shri Sanjeev A. Aggarwal	Shri Ashok J. Aggarwal
Age	47 years	59 years	68 Years	48 Years	56 Years
Qualification	C.A., C.S., I.C.W.A	B.Sc and C.A.I.I.B.	M.Com, CAIIB and FSAA(I)	Commerce Graduate	Commerce Graduate
Nature of Expertise & Experience	Practicing as a Chartered Accountant specializing in matters related to Central Excise, Customs and Service Tax. He has authored book on Service Tax.	Wide experience in the field of banking and He has worked with the Punjab National Bank for a long period of time.	30 years work experience in Bank. He has worked with IDBI and having specialization in Project Financing.	Having rich experience in the field of manufacturing of PVC Pipe Fitting and Moulded Furniture and allied Product and Supervision of all activities related to Plant.	Having rich experience in the field of manufacturing of PVC Pipe Fitting and allied Product and Supervision of all activities related to Plant.
Name of Companies in which also holds Directorship	None	Jain Sahakari Bank Limited	1. Ladderup Finance Limited, 2. Galada Power & Telecommuni cation Limited,	1. Kisan Irrigations Limited 2. Kisan Extrusions Limited	1. Kisan Irrigations Limited 2. Kisan Extrusions Limited
Name of the Companies in Committees of which holds membership / chairmanship	None	None	None	None	None



KISAN MOULDINGS LIMITED

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March 2005.

The Hon'ble High Court of judicature at Bombay has approved the Scheme of Amalgamation of Gaurav Agro Plast Limited with the Company w.e.f. 1st April, 2004 (the Appointed Date) vide its order dated 5th August 2005. In view of the aforesaid Scheme w.e.f. 1st April, 2004 (Appointed date), the Balance Sheet as at 31st March, 2005 and the Profit and Loss account and Cash Flow Statement for the year ended 31st March, 2005 include the figures of Gaurav Agro Plast Limited (erstwhile) from the said appointed date. Hence, the figures of the current year are not comparable with those of the previous year.

Financial Results :

(Rs in Lacs)

Particulars	Current Year		Previous Year	
Profit before Depreciation, Interest and Tax (PBDIT)		848.39		279.84
Less: Depreciation	276.20		117.31	
Interest & Bank Charges	329.52	605.72	90.77	208.08
Profit before Tax		242.67		71.76
Less : Provision for Tax		59.16		19.14
Profit after Tax		183.51		52.62
Add : Balance brought forward		19.77		6.29
Profit available for Appropriations		203.28		58.91

APPROPRIATIONS :

(Rs. in Lacs)

General Reserve	25.00	15.00
Dividend (including Tax on Dividend)	40.65	24.14
Balance carried forward	137.83	19.77
	203.28	58.91

Dividend:

Your Directors are pleased to recommend a dividend of Re. 1.00 per share (10% on par value of Rs. 10/-) on the Equity Share Capital of the Company for the year ended 31st March 2005. 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 30th September 2005 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 23rd September 2005 as per the details to be received from Depositories for the purpose.

Major activities and Future Prospects:

Following the amalgamation of Gaurav Agro Plast Limited (GAPL) in terms of the Scheme of Amalgamation, it will be advantageous for your Company to avail the benefits from the combined activities and operations of two Companies into a single Company for synergistic linkages besides the benefit of financial resources and managerial expertise of each other which will be reflected in the profitability of the amalgamated company. The Amalgamation besides offering other benefits will also result in cost saving, pooling of resources, larger network base, wider dealer network.

Scheme of Amalgamation of Gaurav Agro Plast Limited with the Company:

The Hon'ble High Court of judicature at Bombay has approved the Scheme of Amalgamation of Gaurav Agro Plast Limited with the Company vide order dated 5th August 2005. The Company is in process of availing the drawn upon order from the court. The other necessary proceedings related to further issue of capital will be conducted accordingly.