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Driven by "**GROWTH**"

Fuelled by "**EXCELLENCE**"



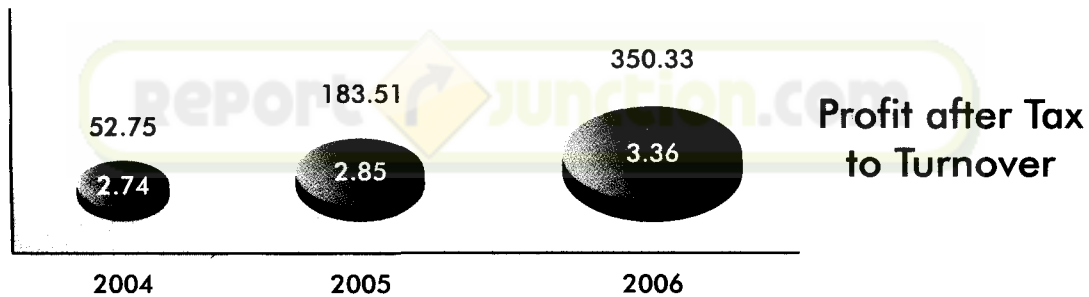
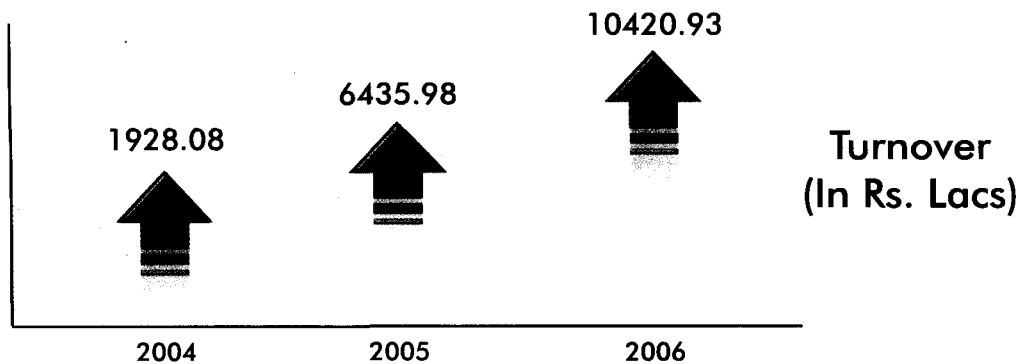
KISAN MOULDINGS LTD.

Annual Report 2005-06

ISO 9001 : 2000 Certified Company



Glowing Past, Growing Future



Consistent Track Record of dividend for eight consecutive years

Expansion of existing manufacturing activities to meet the Growing Demand

Diversification of product lines by introducing Kisan PE-AL-PE Composite Pipes, New Generation Plumbing System

Consolidation of manufacturing activities at one place so as to have economies of scale

Exploration of export markets to embark the presence globally



KISAN MOULDINGS LIMITED

BOARD OF DIRECTORS

RAMESH J. AGGARWAL - Chairman
 VIJAY J. AGGARWAL - Vice Chairman - 1
 ASHOK J. AGGARWAL - Vice Chairman - 2
 R. D. SUVARNA
 S. S. GUPTA
 S. K. JAIN
 T. B. SUBRAMANIAM
 SUNIL GOYAL (Appointed w.e.f. 24.12.2005)
 SANJEEV A. AGGARWAL - Joint Managing Director
 SATISH J. AGGARWAL - Managing Director

AUDITORS

M/s. MITTAL & ASSOCIATES
 Chartered Accountants

INTERNAL AUDITORS

M/s. DURGESH KABRA & CO.
 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.

REGISTERED AND ADMINISTRATIVE OFFICE

'TEX CENTRE', 'K' Wing, 3rd Floor, 26 'A', Chandivli 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 Dynamic (India) Pvt. Ltd.,
 Unit-1, Luthra Ind. Premises, Safed Pool,
 Andheri Kurla Road, Andheri (East),
 Mumbai - 400 072.

LISTING

Bombay Stock Exchange Limited
 Madhya Pradesh Stock Exchange

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KISAN MOULDINGS LIMITED

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **Kisan Mouldings Limited** will be held at Golden Gate Restaurant, Laram Centre, S. V. Road, Near Andheri Station, Andheri (West), Mumbai - 400 058 on Saturday, the 30th September, 2006 at 11:30 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, 2006 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 Ramesh J. Aggarwal, 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 Vijay J. Aggarwal, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri R. D. Suvarna, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
6. 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:

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

"RESOLVED THAT Shri Sunil Goyal, who was appointed as an Additional Director of the Company with effect from 24th December, 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 his 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 Shri Sunil Goyal 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 as per the recommendation of Remuneration Committee and pursuant to the provisions of Sections 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 appointment of Shri Ramesh J. Aggarwal as the Chairman and Whole Time Director of the Company for a period of three years with effect from 1st October, 2005 upon the terms and subject to the conditions including the remuneration as are set out in the agreement entered into between the Company and Shri Ramesh J. Aggarwal, a copy 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 Ramesh J. Aggarwal."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Chairman and Whole Time 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 Chairman and Whole Time Director".

"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."

9. 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 Sections 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 appointment of Shri Sanjeev A. Aggarwal as the Joint Managing Director and Chief Financial Officer of the Company for a period of three years with effect from 1st October, 2005 upon the terms and subject to the conditions including the remuneration as are set out in the agreement entered into between the Company and Shri Sanjeev A. Aggarwal, a copy 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 Sanjeev A. Aggarwal."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Joint Managing Director and Chief Financial Officer shall be governed by Section II of Part II of Schedule XIII to the Companies

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Act, 1956 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Joint Managing Director and Chief Financial Officer".

"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 : July 8, 2006

Ramesh J. Aggarwal
Chairman

REGISTERED OFFICE:

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

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 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, 16th September 2006 to Saturday, 23rd September 2006 (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 23rd September 2006 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 15th September 2006 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 Dynamic (India) Pvt. Ltd., Unit - 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072 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. 7 to 9 is appended hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 7 :

Shri Sunil Goyal was appointed as an Additional Director of the Company on 24th December, 2005. In accordance with the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the said Additional Director shall hold office only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as a Director. The Company has received a notice alongwith the requisite deposit from a Shareholder pursuant to Section 257 of the said act proposing the candidature of Shri Sunil Goyal for the office of Director of the Company.

Details including brief resume of Shri Sunil Goyal has been given in the Annexure attached to the notice. Keeping in view of his experience and expertise, the Board recommends the appointment of Shri Sunil Goyal as Director of the Company.

Shri Sunil Goyal may be deemed to be interested in the resolution relating to his appointment. Apart from the above Director, no other Directors shall be deemed to be concerned or interested in the said resolution.

Item No. 8:

As per the recommendation of the remuneration committee, the Board of Directors at its meeting held on 22nd October, 2005 have approved, subject to the approval of the members at the general meeting, the appointment of Shri Ramesh J. Aggarwal as the Chairman and Whole Time Director of the Company for a period of three years with effect from 1st October, 2005.

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



KISAN MOULDINGS LIMITED

I. Period: 1st October, 2005 to 30th September, 2008.

II. Remuneration:

a) Salary: Rs. 50,000/- per month including dearness allowance and all other allowances

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 Chairman and Whole Time Director will be subject to a ceiling of sixty percent of the salary.

B. In case no accommodation is provided by the Company, the Chairman and Whole Time 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 Chairman and Whole Time 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 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, commission or perquisites payable by the Company to the Chairman and Whole Time 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 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 Chairman and Whole Time 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 Chairman and Whole Time Director.

VI. The Chairman and Whole Time 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 Chairman and Whole Time Director entertainment, traveling and all other expenses incurred by him for the business of the Company.

VIII. The Chairman and Whole Time 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.

IX. 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 Chairman and Whole Time Director shall not be entitled for any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.

The appointment of Shri Ramesh J. Aggarwal as the Chairman and Whole Time Director of the Company, would require the consent of the shareholders of the Company pursuant to Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and subject to the limits to Schedule XIII to the said act. The said resolution is therefore, recommended for your approval.

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Shri Ramesh J. Aggarwal is concerned or interested in the resolution proposed vide Item No. 8 for his appointment as the Chairman and Whole Time Director. Shri Satish J. Aggarwal, Shri Vijay J. Aggarwal, Shri Ashok J. Aggarwal and Shri. Sanjeev A. Aggarwal are also concerned or interested as relatives of Shri Ramesh J. Aggarwal.

No other Director is interested or concerned in the said resolution.

Item No. 9:

As per the recommendation of the remuneration committee, the Board of Directors at its meeting held on 22nd October, 2005 have approved, subject to the approval of the members at the general meeting, the appointment of Shri Sanjeev A. Aggarwal as the Joint Managing Director and Chief Financial Officer of the Company for a period of three years with effect from 1st October 2005.

The broad particulars of remuneration payable to and the terms of appointment of Shri Sanjeev A. Aggarwal are as under:

- I. Period: 1st October, 2005 to 30th September, 2008.
- II. Remuneration:
 - a) Salary: Rs. 50,000/- per month including dearness allowance and all other allowances.
 - 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 Joint Managing Director and Chief Financial Officer will be subject to a ceiling of sixty percent of the salary.
 - B. In case no accommodation is provided by the Company, the Joint Managing Director and Chief Financial Officer 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 Joint Managing Director and Chief Financial Officer
 - (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 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, commission or perquisites payable by the Company to the Joint Managing Director and Chief Financial Officer 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 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 Joint Managing Director and Chief Financial Officer 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 Joint Managing Director and Chief Financial Officer.
- VI. The Joint Managing Director and Chief Financial Officer 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 Joint Managing Director and Chief Financial Officer entertainment, traveling and all other expenses incurred by him for the business of the Company.



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VIII. The Joint Managing Director and Chief Financial Officer 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.

IX. 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 Joint Managing Director and Chief Financial Officer shall not be entitled for any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.

The appointment of Shri Sanjeev A. Aggarwal as the Joint Managing Director and Chief Financial Officer of the Company, would require the consent of the shareholders of the Company pursuant to Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and subject to the limits of Schedule XIII of the said act. The said resolution is therefore, recommended for your approval.

Shri Sanjeev A. Aggarwal is concerned or interested in the resolution proposed vide Item No. 9 for his appointment as the Joint Managing Director and Chief Financial Officer. Shri Satish J. Aggarwal, Shri Vijay J. Aggarwal, Shri Ashok J. Aggarwal and Shri. Ramesh J. Aggarwal are also concerned or interested as relatives of Shri Sanjeev A. Aggarwal.

No other Directors are interested or concerned in the said resolution.

For and on behalf of the Board

Place : Mumbai
Dated : July 8, 2006

Ramesh J. Aggarwal
Chairman

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

Name	Shri Ramesh J. Aggarwal	Shri Vijay J. Aggarwal	Shri R. D. Suvarna	Shri Sunil Goyal	Shri Sanjeev A. Aggarwal
Age	63 Years	61 Years	65 Years	38 Years	49 Years
Qualification	Commerce Graduate	Commerce Graduate	B. A. (Hons) (spl.), LLB.	F.C.A.	Commerce Graduate
Nature of Expertise & Experience	Having rich experience in the field of manufacturing of PVC Pipe Fitting and allied Product and supervision of all activities related to plant.	Administration and Production 30 years of experience	Practising as an Advocate in High Court, Mumbai and Bombay City Civil Court, Co-operative Court and Debt Recovery Tribunal, Mumbai for over 35 years	Specialised in the field of Finance and Management & Business Consultancy which include Fund Mobilisation, Business Restructuring, Business Valuation, Mergers/ Amalgamation Wealth Management, Capital Market and Strategic Alliances.	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.
Name of other Companies in which also holds Directorship	1. Kisan Irrigations Limited 2. Kisan Extrusions Limited	Bhagirath Agro-Plast Limited	None	1. Ladderup Finance Limited 2. Haymore Insurance Brokers Pvt. Ltd. 3. Quiet Investment Pvt. Ltd.	1. Kisan Irrigations Limited 2. Kisan Extrusions Limited
Name of other Companies in Committees of which holds membership / chairmanship	None	None	None	None	None
Shareholding in Kisan Mouldings Limited	1,85,551	1,30,187	-	-	2,87,580

Seventeenth Annual Report 2005-2006

DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March 2006.

Financial Results:**(Rs in Lacs)**

Particulars	Current Year		Previous Year	
Profit before Depreciation, Interest and Tax (PBDIT)		1112.78		848.39
Less: Depreciation	298.27		276.20	
Interest & Bank Charges	345.87	644.14	329.52	605.72
Profit before Tax		468.64		242.67
Less: Provision for Tax		118.31		59.16
Profit after Tax		350.33		183.51
Add: Balance brought forward		753.85		19.77
Profit available for Appropriations		1104.18		203.28

APPROPRIATIONS:**(Rs. in Lacs)**

General Reserve	50.00	25.00
Dividend (including Tax on Dividend)	80.25	40.65
Balance carried forward	973.93	137.63
	1104.18	203.28

Performance:

The total income from operation of the Company has considerably increased from Rs. 6435.98 Lacs in previous year to Rs. 10420.93 Lacs for the year under review. Due to implementation of measures for saving in costs, Profit before Depreciation, Interest and Tax increased from Rs. 848.39 Lacs in the previous year to Rs. 1112.78 Lacs for the year under review. The Profit Before Tax has increased from Rs. 242.67 Lacs to Rs. 468.64 Lacs in the current year. The Net Profit After Tax for the year under review after providing for taxation is Rs. 350.33 Lacs as against Rs. 183.51 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. 1.00 per share (10% on par value of Rs. 10/- each) on the Equity Share Capital of the Company for the year ended 31st March 2006. 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 23rd September 2006 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 15th September 2006 as per the details to be received from Depositories for the purpose.

Allotment of Equity Shares to the shareholders of erstwhile Gaurav Agro Plast Limited pursuant to the Scheme of Amalgamation:

The Board of Directors of the Company have at their meetings held on 24th December, 2005 and 27th May, 2006 allotted 38,23,677 Equity Shares of Rs. 10/- each and 3 Equity Shares of Rs. 10/- each fully paid-up respectively to the shareholders of erstwhile Gaurav Agro Plast Limited (GAPL) and cancelled 3,50,600 equity shares (being shares held by GAPL in the Company) pursuant to the Scheme of Amalgamation of Gaurav Agro Plast Limited with Kisan Mouldings Limited as sanctioned by the The Hon'ble High Court of Bombay.

Directors' Responsibility Statement:

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

- that in the preparation of the annual accounts, the applicable 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 Turnover Tax paid on purchases.
- that the Directors 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



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of the Company at the end of the financial year and of the profit of the Company for that period.

- that the Directors 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.
- that the annual accounts for the year ended March 31, 2006 have been prepared on a going concern basis.

Corporate Governance:

A Report on Corporate Governance along with a certificate from M/s. Rath & Associates, Company Secretaries in Practice 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 deposits accepted by the Company are in accordance with the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended.

Directors:

Shri Sunil Goyal was appointed as an Additional Director of the Company on 24th December, 2005. In accordance with the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the said Director shall hold office only up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notice from a Shareholder pursuant to Section 257 of the said act, in respect of Shri Sunil Goyal, proposing his candidature for the office of Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Ramesh J. Aggarwal, 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.

The Board of Directors have as per the recommendation of the Remuneration Committee, appointed Shri Ramesh J. Aggarwal as Chairman & Whole Time Director and Shri Sanjeev A. Aggarwal as Joint Managing Director & Chief Financial Officer for a period of three years starting from 1st October, 2005, subject to the approval of the shareholders at the ensuing Annual General Meeting.

A brief profile of the above Directors, as required by Clause 49VIA of the Listing Agreement with the Stock Exchanges is attached to 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.

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:

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 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 express their deep appreciation to the Company's employees at all levels for their unstinted efforts and valuable contributions during the year.

For and on behalf of the Board

Place : Mumbai
Dated : July 8, 2006

Ramesh J. Aggarwal
Chairman