

# Annual Report

# 2006-07



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**KISAN MOULDINGS LTD.**

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## 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  
 Sanjeev A. Aggarwal - Joint Managing Director  
 Satish J. Aggarwal - Managing Director

### STATUTORY 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.  
 IDBI 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 (E), Mumbai - 400 072.

### LISTING

Bombay Stock Exchange Limited

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## KISAN MOULDINGS LIMITED

### NOTICE

**NOTICE** is hereby given that the Eighteenth Annual General Meeting of the Members of **Kisan Mouldings Limited** will be held at Hotel Suba Galaxy, N. S. Phadke Road, Off. Western Express Highway, Near Andheri East West Flyover, Andheri (East), Mumbai 400 069 on Monday, the 24th September, 2007 at 6:00 P.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, 2007 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 T. B. Subramaniam, 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 S. S. Gupta, 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 S. K. Jain, 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 a Special 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, 2007 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 Satish 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 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".

**"RESOLVED FURTHER THAT** during such time as Shri Satish J. Aggarwal holds and continues to hold office of the Managing Director, he shall not be liable to retire by rotation as a Director."

**"RESOLVED FURTHER THAT** the Board of Directors 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

**For and on behalf of the Board**

**Place:** Mumbai  
**Dated:** 30th June, 2007

**Ramesh J. Aggarwal**  
**Chairman**

### REGISTERED OFFICE:

"TEX CENTRE",  
K-Wing, 3rd Floor,  
26 'A' Chandivli Road,  
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 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, 15th September 2007 to Monday, 24th September 2007 (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 24th September, 2007 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 hours on 14th September, 2007 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 relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of persons, seeking re-appointment as Directors under Item Nos. 3 to 5 above, is annexed.
10. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 7 is appended hereto.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:****Item No. 7:**

The present term of office of Shri Satish J. Aggarwal as the Managing Director of the Company will expire on 30th September, 2007. As per the recommendation of the remuneration committee, the Board of Directors at its meeting held on 30th June 2007 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 present 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, 2007 to 30th September, 2010.

II. Remuneration:

a) Salary: Rs. 1,00,000/- per month including dearness 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 Managing Director will be 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 Housing - 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.



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## (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/- 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 Managing Director shall not exceed the limits laid down in section 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, travelling 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.
- 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.



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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 of Schedule XIII of the said act. The said resolution is therefore, recommended for your approval.

The explanatory statement and the resolution in Item no. 7 of the notice is and may be treated as an abstract of the terms of re-appointment of Shri Satish J. Aggarwal as the Managing Director of the Company as required under section 302 of the Companies Act, 1956.

Shri Satish J. Aggarwal is concerned or interested in the resolution proposed vide Item No. 7 for his appointment as the Managing Director. Shri Ramesh J. Aggarwal, Shri Vijay J. Aggarwal, Shri Ashok J. Aggarwal and Shri Sanjeev A. Aggarwal are also concerned or interested in the said resolutions, being relatives of Shri Satish J. Aggarwal.

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

For and on behalf of the Board

Place: Mumbai  
Dated: 30th June, 2007

Ramesh J. Aggarwal  
Chairman

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

Name	Shri Satish J. Aggarwal	Shri T. B. Subramaniam (retiring by rotation)	Shri S. S. Gupta (retiring by rotation)	Shri S. K. Jain (retiring by rotation)
Age	59 years	70 years	49 years	61 years
Qualification	Science Graduate	M.Com, CAIIB and FSAA(I)	C.A., C.S., I.C.W.A.	B.Sc and C.A.I.I.B
Nature of Expertise & Experience	Marketing and Finance 31 years of experience	30 years work experience in Bank. He has worked with IDBI and having specialization in Project Financing.	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 has worked with the Punjab National Bank for a long period of time.
Name of other Companies in which also holds Directorship	1. Kisan Irrigation Limited 2. Kisan Extrusions Limited	1. Ladderup Finance Limited 2. Galada Power & Telecommunication Limited.	None	Jain Sahakari Bank Limited
Name of other Companies in Committees of which holds Membership / Chairmanship	None	None	None	None
Shareholding in Kisan Mouldings Limited	1,40,809	Nil	Nil	Nil



## KISAN MOULDINGS LIMITED

## DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March 2007.

**Financial Results:**

Particulars	(Rs. in Lacs)			
	Current Year		Previous Year	
Profit before Depreciation, Interest and Tax (PBDIT)		1166.47		1122.57
Less: Depreciation	257.08		298.27	
Interest & Bank Charges	357.61		345.87	644.14
Profit before Tax		551.78		478.43
Less: Provision for Tax		191.90		128.10
Profit after Tax		359.88		350.33
Add: Balance brought forward		973.93		753.85
Profit available for Appropriations		1333.81		1104.18

**APPROPRIATIONS:**

(Rs. in Lacs)

General Reserve	50.00	50.00
Dividend (including Tax on Dividend)	82.34	80.25
Balance carried forward	1201.47	973.93
	1333.81	1104.18

**Performance:**

The total income of the Company has considerably increased from Rs. 10420.93 Lacs in previous year to Rs. 12480.72 Lacs for the year under review. Due to implementation of measures for saving in costs, Profit before Depreciation, Interest and Tax increased from Rs. 1122.57 Lacs in the previous year to Rs. 1166.47 Lacs for the year under review. The Profit before Tax has increased from Rs. 478.43 Lacs to Rs. 551.78 Lacs in the current year. The Net Profit after Tax for the year under review after providing for taxation is Rs. 359.88 Lacs as against Rs. 350.33 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 2007.

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



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- 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, 2007 have been prepared on a going concern basis.

**Corporate Governance:**

A Report on Corporate Governance along with a certificate from M/s. Rathi & 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:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri T. B. Subramaniam, Shri S. S. Gupta and Shri. S. K. Jain, 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, re-appointed Shri Satish J. Aggarwal as Managing Director for a period of three years commencing from 1st October, 2007, 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:** 30th June, 2007

**Ramesh J. Aggarwal**  
**Chairman**



## KISAN MOULDINGS LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

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 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2007.

## A. CONSERVATION OF ENERGY

	Unit	2006-2007	2005-2006
1) Electricity			
(a) Purchased	KWH	89,16,888	91,53,082
Total Amount	Rs. In Lacs	375.67	289.74
Average rate per unit (Rs./KWH)		4.21	3.17
(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. 24.47 Lacs
Total Foreign Exchange used	
(Including Capital Expenditure of Rs. 119.14 Lacs)	Rs. 591.03 Lacs

For and on behalf of the Board

Place: Mumbai  
Dated: 30th June, 2007

Ramesh J. Aggarwal  
Chairman