



Fuelled by EXCELLENCE

KISAN MOULDINGS LTD.

ISO 9001 : 2000 CERTIFIED COMPANY



Annual Report

2007-08



Kisan®

The Mark of Excellence



KISAN MOULDINGS LIMITED

BOARD OF DIRECTORS

Ramesh J. Aggarwal - Chairman & Wholetime Director
 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
 Satish J. Aggarwal – Managing Director
 Sanjeev A. Aggarwal – Joint Managing Director

STATUTORY AUDITORS

M/s Mittal & Associates
 Chartered Accountants

INTERNAL AUDITORS

M/s Durgesh Kabra & Co.
 Chartered Accountants

COMPANY LAW ADVISORS

M/s Rathii & 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, Chandivali Road,
 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. 64/1, 63/1, 70,71,72,74/1/1 Village Mahagaon, Boisar, Dist. Thane. (Maharashtra)
 Survey no. 34/1/1, Village-Umerkui, Silvassa-D & N. (U.T.)

REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.
 Unit-1, Luthra Industrial Premises, Safed Pool,
 Andheri (E), Mumbai- 400 072

LISTING

Bombay Stock Exchange Limited

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KISAN MOULDINGS LIMITED

DIRECTORS' REPORT

The Members, Your Directors have pleasure in presenting the Nineteenth Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS:

Particulars			(Rs. in Lacs)	
	Current Year(2007 -2008)		Previous Year (2006 – 2007)	
Profit before Depreciation, Interest and Tax (PBDIT)		1440.48		1166.47
Less: Interest	463.73		357.61	
Less: Depreciation	324.71	788.44	257.08	614.69
Profit before Tax		652.04		551.78
Less: Provision for Taxation		226.35		191.90
Profit after Tax		425.69		359.88
Add:Balance brought forward		1201.47		973.93
Profit available for Appropriations		1627.16		1333.81

APPROPRIATIONS:

(Rs. in Lacs)

General Reserve	50.00	50.00
Dividend (including Tax on Dividend)	82.34	82.34
Balance carried forward	1494.82	1201.47
	1627.16	1333.81

Performance:

Your Company continued to maintain its upward trend by achieving Sales of Rs. 14948.18 lacs as against Rs.12480.72 lacs in the previous year. Profit before Depreciation, Interest and Tax has increased from Rs.1166.47 lacs to Rs.1440.48 lacs. Profit before tax for the year under review, has increased to Rs. 652.04 lacs as compared to Rs.551.78 lacs in the previous year. Net profit after Tax for the year has increased to Rs. 425.69 lacs as compared to Rs 359.88 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/- per Share on the paid up Share Capital of the Company for the year ended 31st March, 2008

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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 accounting standards have been followed.
- they have selected such accounting policies and applied them consistently and made judgements 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.
- proper and sufficient care have been taken 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 March 31, 2008 have been prepared on a going concern basis.

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 Company (Acceptance of Deposits) Rules, 1975 as amended.

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 Exchange are annexed hereto.

Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Sunil Goyal, Shri R. D. Suvarna and Shri Vijay Aggarwal, Directors of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment 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 Exchange is attached to the Notice of the ensuing Annual General Meeting.

Auditors:

M/s. Mittal & Associates, 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 as Auditors.

Auditors' Comment:

The observations made by the Auditors in the Auditors' Reports read with relevant notes 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.



KISAN MOULDINGS LIMITED

Conservation of Energy, Technology Absorption, Foreign Exchange Earning 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 received during the year from the Investors, Financial Institutions, Bankers, Statutory Authorities and all organizations connected with its business. Your Directors also take pleasure in commending the valuable contributions made by the employees of the Company at all levels during the year.

For and on behalf of the Board

Place: Mumbai
Dated: 30th June, 2008

Ramesh J. Aggarwal
Chairman & Wholetime Director

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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 31st March, 2008.

A. POWER AND FUEL CONSUMPTION	Unit	2007-2008	2006-2007
1) Electricity			
Purchased	KWH	78,84,325	89,16,888
Total Amount	Rs. in lacs	429.40	375.67
Average rate per unit	Rs.	5.44	4.21

B. TECHNOLOGY ABSORPTION

The Company has not imported any technology from abroad. Innovation is a constant process and the Company has been engaged in improving the product design, material cost, productivity, etc. as part of this process.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Total Foreign Exchange earned	Rs. 24.47 Lacs
Total Foreign Exchange used	Rs. 1125.82 Lacs

For and on behalf of the Board

Place: Mumbai
Dated: 30th June, 2008

Ramesh J. Aggarwal
Chairman & Wholetime Director



KISAN MOULDINGS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We, Kisan Mouldings Limited, are truly inspired by the eternal symbol of mankind's progress. The glory of Plastic itself needs no introduction. Its versatile capabilities, added with the flexibility to use it in packaging, irrigation, telecommunication, storage, construction, automobiles, furniture, medicine, aviation, defence and large number of other sectors, are indeed a fascination to all of us. The Company is a leading manufacturer of Plastic Moulded Fittings and Furniture, with an objective to provide highest quality standard products to its customers. To meet the customer demand at every level is the vital force that drives the organization towards higher performance standards of manufacturing and product quality. To achieve this at every stage of manufacturing cycle, the Company has set the Six 'P' Progress Maxim based on Policy, Product, Process, Prevention, Protection and Project, enabling it to stay at the forefront of Manufacturing Technology. Our professionally qualified team of technologist and engineers ensure a high satisfactory level of products in all respects.

(A) INDUSTRY OVERVIEW:

The demand for Plastic Moulded Fittings and Furniture is expected to increase considering growth of user industries viz. automobiles, consumer durables, telecommunication equipment, industrial fittings, pipes and other home appliances. There are a number of players in the Industry, many in SSI Sector. Therefore, the Markets & Capacities are fragmented in the Country. Due to some concessional rate of excise duty granted to SSI Sector, the competition is intense.

The development of the plastic industry is linked with the country's economic development. It has ancillary relationship with several large industries including multinational companies both in India and abroad. This is also a valuable source of foreign exchange. The Plastic industry over the decade has grown by about 25%. It's a full-fledged industry which is all geared to set new records. R&D institutes in our country are developing technologies to create biodegradable plastics, which will reduce environmental pollution. It is hoped that by 2010 India will emerge as the third largest producer and consumer of polymers after US and China. There is also scope for marketing these products in South East Asian countries and even European markets.

(B) PERFORMANCE:

The year gone by was a year full of achievements for the Company. The company has improved its performance significantly in the previous year. The Company is involved in manufacturing Plastic Moulded Fittings and Furniture, Moulded Agri, Fittings and Suction Pipes PVC Solvent, Rubber Lubricant. The firm is in the same industry and will be providing manufacturing facilities exclusively for the usage of the Company on Job Work basis. The figures of production and sales for the products being manufactured by the Company are furnished in the Notes on Accounts.

(C) FUTURE OUTLOOK:

The demand for Plastic products is going to remain consistent in the coming years in the world market. It acts as the necessity, comfort and luxury in one's life and therefore would be demanded by the people of all classes in Society. In all past years, our domestic industry has performed very well and the demands for plastic products are ever increasing. Obviously, it has bright future. The Company has strengthened itself to face each and every market challenge. Our Company is sure of achieving

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its goals by its un-definable and its operational efficiencies. Looking at the growing demand of the Plastic Moulded Furniture and to introduce a new set of exclusive furniture items, the Company has proposed to increase the installed capacity of Furniture and Fitting Division by setting up additional machines.

Your Company seeks to be a cost effective, high quality producer and is focused on maintaining its cost competitiveness in order to avail benefits of large scale production at one place and therefore the Company is in process to relocate its existing manufacturing units at one place.

(D) OPPORTUNITIES AND THREATS:

Our Company is engaged in manufacturing Plastic moulded fittings, which has various applications in water management and constructions. Since years the Company has served its customers successfully. As market demand for the plastic products are increasing, opportunities for our company is also growing high and our competition in the market is becoming tough but we have confidence in our high quality product to survive and grow in a competitive market.

The growth of the industry allows the necessary opportunities for our Company to grow. Our Company believes that commitment and reliability in dealings with customers are primary pre-requisites for successful and sustained business relationship. This principle controls all aspects of the Company's approach to its customers. The Company shall endeavour to provide value for money by maintaining consistency, quality and reliability. The Company's opportunities lie in the adequate demand for the Plastic Moulded Fittings which has various applications in water management and constructions. The company has sustained intense competition in its segment and has created its own different image. The Company has a wide dealer network spread all over the country through which the company has already established its presence in the market. The Company has more than a decade of rich experience of serving its customers beyond their expectations. With the growth of the industry and introduction of new products and technology, the industry presents excellent opportunity for growth and profit earning for the leading and established players.

The Company may face tough competition from the leading players in the Industry.

(E) RISKS AND CONCERNS:

In the highly competitive market subject to rapid technological changes and regulatory developments, the Company's ability to manage diverse risks determine its success. As the business environment remains challenging and scale becomes the most critical component for survival, the Company continues to invest in growth drivers namely people and processes besides the expansion plan so as to remain in the race at a good position. The Company continues to remain focused on its core competence product i.e. PVC Moulded Fittings. The Company is also prone to certain risks and concerns such as increase in material costs, competition from un-organised sector, increase in capital costs to meet the increased demand for new products. Another major source of Company's products demand is from rural India, which mainly depends on the monsoon. Failure of monsoon or floods will definitely affect agriculture which in turn will have an adverse effect on the demand of Company's products. Low value addition and stiff competition in the market continues to have an impact on the company's realizations and also exerts pressure on the margins.



KISAN MOULDINGS LIMITED

(F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company maintains a system of strict Internal Control, including suitable monitoring procedures. The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. Significant issues are brought to the attention of the Audit Committee of the Directors. The Internal Controls existing in the Company are considered to be adequate vis-à-vis the business requirements.

(G) HUMAN RESOURCE DEVELOPMENT:

The dedicated team of employees at KML, earns credit for the companies performance. Industrial relations have been harmonious and morale and efficiency high. The Company believes that the human resources are vital in giving the company a competitive edge in the current business environment. The company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/dissemination, creativity and responsibility. As in the past, the Company enjoyed cordial relations with the employees at all levels.

The total number of personnel employed as on 31st March 2008 was 426.

(H) CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, expectations, estimations are based on current business environment. Actual results could differ from those expressed or implied based on future economic and other development. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.