

Kisan Mouldings Limited

Annual Report 2018-19

**HIGH PERFORMANCE
HIGH QUALITY**

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ANNUAL GENERAL MEETING

Date : Saturday, September 21, 2019 | Time : 04:30 p.m.

Venue : MIRAGE HOTEL, INTERNATIONAL AIRPORT
APPROACH ROAD, ANDHERI-KURLA ROAD, MAROL,
ANDHERI (EAST), MUMBAI - 400 059

FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable Stake Holders to comprehend our prospects and take Relative decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

E-VOTING SCHEDULE

CUT OFF DATE	START DATE	END DATE
Saturday, September 14, 2019	Tuesday, September 17, 2019 (9:00 a.m.)	Friday, September 20, 2019 (5:00 p.m.)



CORPORATE **OVERVIEW**

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

- Sanjeev Aggarwal - Chairman & Managing Director (DIN: 00064076)
- Rishav Aggarwal - Whole-time Director (DIN: 05155607)

NON EXECUTIVE DIRECTORS

- Sunil Goyal - Non-Independent Director (DIN: 00503570)
- H.S. Upendra Kamath - Independent Director (DIN: 02648119)
- Praveen Kumar Tripathi - Independent Director (DIN: 03154381)
- Urvashi Dharadhar - Additional Director (Independent) (DIN: 08279196)

LISTING

BSE Limited

REGISTERED OFFICE

Kisan Mouldings Limited
26 'A', 3rd Floor, K-wing, "Tex Centre", Chandivali, Off Saki Vihar Road, Andheri (East), Mumbai - 400 072.
India. Tel: 42009100/9200,
Email ID: cs.kisan@kisangroup.com
Website: www.kisangroup.com

CORPORATE IDENTIFICATION NUMBER:

L17120MH1989PLC054305

REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamics (India) Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli West, Mumbai - 400083
Tel.No.: 022 - 2851 5606/644 Fax No. : 022-2851 2885
Email : support@sharexindia.com

KEY MANAGERIAL PERSONNEL

- Mr. Amit Sudhakar - Chief Financial officer
- Mr. Dharak A. Mehta - Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s. ADV & Associates,
Chartered Accountants

SECRETARIAL AUDITOR

M/s. AVS & Associates,
Company Secretaries

INTERNAL AUDITOR

M/s. CAS & Co.,
Chartered Accountants
(Formerly known as K M Tulsian & Associates)

COST AUDITOR

M/s. Bhanwarlal Gurjar & Co.,
Cost Accountants

BANKERS

- Punjab National Bank
- Union Bank of India
- The Shamrao Vithal Co-op Bank Ltd.
- IDBI Bank Ltd
- ICICI Bank Ltd

PLANT LOCATIONS

- Survey no. 64/1, 63/1, 70, 71, 72, 74/1/1
Village - Mahagaon, Taluka-Palghar, Boisar,
Dist, Thane (Maharashtra).
- Survey No. 34/1/1, Village - Umerkui, Silvassa
- D. & N.H. (U. T.).
- Plot No. 5-A/5 Industrial Area No. 2, Dewas,
Madhya Pradesh - 455001.
- Plot No.172-B and 173-A Village Nogenhalli,
Kora Hubli, Tumkur Taluka, Karnataka.
- Survey No. 108/1/6, Surangi Road,
Near Khadoli Sub Station, Silvassa

Performance Highlights

Revenue from Operations

(₹ In Lakhs)

49,030

2016-17*	48,506
2017-18*	48,217
2018-19*	49,030

Operating EBIDTA

(₹ In Lakhs)

3,078

2016-17*	3,983
2017-18*	4,635
2018-19*	3,078

Profit After Taxes

(₹ In Lakhs)

-972

2016-17*	-97
2017-18*	12
2018-19*	-972

Debt to Equity

(x)

1.51

2016-17*	3.0
2017-18*	1.58
2018-19*	1.51

Total Debt

(₹ In Lakhs)

20,683

2016-17*	23,075
2017-18*	21,633
2018-19*	20,683

(* Figures as per IndAS)



PERFORMANCE

Product Segments

Kisan Mouldings Limited (KML) has built a plethora of products in the plastic piping and irrigation industry and is positioned to gain traction in the market there by bringing in with it stronger sales, higher growth, improved customer services and higher profitability. The products address the needs of various customers spanning from architects, builder, farmers and individuals.

The refresh in the existing product line and the introduction of new products are uniquely placed to cater to different target markets. This gives KML the confidence to be aggressive in re-gaining market share. We are confident of the fact with the investments made in technical know-how and the product line will reap rich dividends over the coming years.

Our Product basket consists of the following:



- 1. KML CLASSIC CPVC Plumbing System:** The Chlorinated Polyvinyl Chloride pipe is manufactured at the plant which is located in Tumkur, Karnataka. The usage of these products is mainly Residential, Commercial Buildings, Hotels, Educational Institutions, and Swimming Pools whose application is used to distribute water of both hot and cold temperatures. The products are manufactured using high quality resin and technology from Japan. The pipes are free from corrosion and work well in conditions where the soil or atmospheric conditions are at an extreme. The CPVC pipes are usually known to have longer life expectancy (50 years) in comparison to the galvanized iron pipes.
- 2. FREE flow UPVC plumbing pipes (ASTM):** The Unplasticized Polyvinyl Chloride (UPVC) pipes are manufactured in the state-of-the-art plants based in Tarapur location. These pipes are used in multifarious application like any other CPVC product. The pipes are mainly installed for transporting drinking water without causing any changes to the water properties. The pipes manufactured by KML are chemical and corrosion resistant and are durable and stronger. The pipes are easy to install, low in maintenance and high life expectancy making it a cost effective solution for the user.

- 3. Soil, Waste & Rain water system (S.W.R):** These pipes find their usage in drainage & sewerage applications, and are more superior and durable than the conventional drainage systems.

These pipes are available in the range of Permafit and Classic with diameters ranging from 40mm to 200mm. These pipes are light in weight and cost effective. The pipes of such kind do not require maintenance or inspection which is why its performance is always unblemished. The SWR pipes are also less prone to damage during transit and the pipes are corrosion and rodent resistant.

- 4. Irrigation systems:** Irrigation is an important aspect of farming and agriculture in India. It means supplying water to regions/ areas which are dry and mainly will be used for cultivation. India being an agrarian economy, irrigation continues to be the backbone. In order to facilitate irrigation KML manufactures products which are mainly drip and sprinkle irrigation. The irrigation products enable to save water consumption by 50-70%. It has also shown significant increase in the yield of the crop.
- 5. Solvents:** The solvent cements are used mainly for joining the pipes and fitting. These solvents vary for the different kind of pipes i.e. UPVC, CPVC, HDPE and are available in plastic pet bottles, cans, carboys and barrels.
- 6. Furniture:** KML has extended its know-how in plastics by manufacturing premium moulded plastic furniture for homes and offices. The furniture range consists of chairs, dining and centre tables. These are manufactured using high quality material i.e. virgin polypropylene.

STATUTORY REPORTS



Directors' Report

To,

Dear Members,

The Board of Directors ('Board') have great pleasure in presenting the Company's **Thirtieth (30th) Annual Report** on the business and operations of the Company together with the Standalone and Consolidated Audited Financial Statements for the financial year ended March 31, 2019.

1. FINANCIAL SUMMARY/ HIGHLIGHTS:

The Company's financial performance, for the Financial Year ended March 31, 2019 is summarised below:

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	49,030.00	47,360.00	53,368.20	55,929.55
Add:- Other Income	123.64	534.08	123.64	534.08
Total Income	49,153.64	47,894.08	53,491.84	56,463.63
Total Expenses	50,728.54	48,259.41	55,061.89	56,783.91
Profit/ (loss) before tax (PBT)	(1574.90)	(365.33)	(1570.04)	(320.28)
Less:- Tax expense	(603.03)	(376.91)	(601.56)	(363.00)
Profit/ (loss) for the year (PAT)	(971.87)	11.58	(968.48)	42.70
Others Comprehensive Income/ (Loss)	10.53	4.58	10.53	4.58
Total Comprehensive Income/ (Loss)	(961.34)	16.16	(957.95)	47.28

(₹ in Lakhs)

Note: The above revenue from operation is net of excise duty and goods and service tax collected on behalf of government.

2. INDIAN ACCOUNTING STANDARDS:

Pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted Indian Accounting Standards (Ind-AS) with effect from April 1, 2017.

3. FINANCIAL PERFORMANCE:

On a consolidated basis, the total revenue for Financial Year 2018-19 at ₹ 53,491.84 lakhs was lower by 5.26% over the previous year ₹ 56,463.63 lakhs in Financial Year 2017-18. Total earning after tax for Financial Year 2018-19 is in loss of ₹ 968.48 lakhs against the profit of previous year of ₹ 42.70 lakhs in Financial Year 2017-18.

On standalone basis, the total revenue of the Company increased to ₹ 49,153.64 lakhs for Financial Year 2018-19 against ₹ 47,894.08 lakhs in previous Financial Year 2017-18. Your Company reported total loss after tax was ₹ 971.87 lakhs for Financial Year 2018-19 against the profit of ₹ 11.58 lakhs in Financial Year 2017-18.

In order to increase further sales in the near future, the Company is planning to adopt various strategies and programmes which will boost the demand for the Company's products. The Company is of the view to focus on magnifying innovations in the market place through brilliant execution and on building markets of the future or what we call as 'market development' and thereby enhancing stakeholders value.

4. TRANSFER TO RESERVE:

During the year under review, the Company has not transferred any amount to the Reserve.

5. DIVIDEND:

During the year under review, your directors have not recommended any dividend.

6. SHARE CAPITAL:

Issued, subscribed and paid up equity share capital of the Company ₹ 33,86,30,650/- divided in to 3,38,63,065 Equity shares of face value of ₹ 10/- each.

During the year under review, the Company has neither issued any shares with differential voting rights nor granted any stock options or sweat equity and does not have any scheme to fund its employees to purchase the shares of the Company.

7. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms as an integral part of this Report.

8. DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT AND CHANGE IN NATURE OF BUSINESS OF THE COMPANY:

The Board of Directors of the Company at its meeting held on July 01, 2019 approved consolidation of operations into the parent plant of the Company situated at Mahagaon, Maharashtra to achieve operational efficiencies and consequently Board of Directors also approved selling of certain business assets which also includes non-core and surplus assets of the Company situated at Tumkur, Mahagaon and Indore. The proceeds of such sale will be fully utilised to repay the Term Loan debt attached to this property. This transaction will result in saving in interest costs of ₹ 260 Lakhs and operational costs of ₹ 420 Lakhs approximately on an annualised basis.

10. DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS:

Pursuant to provisions of Section 143 (12) of the Companies Act, 2013 there were no frauds reported by the Auditors of the Company during

the year under review, to the Audit Committee or the Board of Directors, as such there is nothing to report under Section 134 (3) (ca) of the Companies Act, 2013.

11. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors make the following statements to the best of their knowledge and ability:

- That in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation and that no material departures have been made from the same;
- That such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently 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 as at March 31, 2019 and of the profit and loss of the Company for the year ended on that date;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual financial statements have been prepared on a going concern basis;
- That the directors had laid down proper internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and that of Articles of Association of the Company, Mr. Rishav Aggarwal (DIN: 05155607), Whole-time Director of the Company, being longest in the office, shall retire by rotation at ensuing 30th Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.