

ANNUAL REPORT 2019-20



WATER STORAGE



TRANSPORTATION



CONSERVATION



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ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS ("VC/ OAVM") FACILITY

Date : Saturday, September 26, 2020

Time : 12:00 Noon

E-VOTING SCHEDULE

CUT OFF DATE	START DATE	END DATE
Saturday, September 19, 2020	Tuesday, September 22, 2020 (9:00 a.m.)	Friday, September 25, 2020 (5:00 p.m.)

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.



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

- Urvashi Dharadhar - Independent Director (DIN: 08279196)
- Prashant Deshmukh - Additional Director (Independent) (DIN: 02410071) - upto August 11, 2020
- Jhumarlal Bhargat - Additional Director (Independent) (DIN: 08693670) - w.e.f February 14, 2020
- Dinesh Modi - Additional Director (Independent) (DIN: 00004556) - w.e.f June 23, 2020
- Ravi Kant Jagetiya - Additional Director (Independent) (DIN: 08734797) - w.e.f July 13, 2020
- Sunil Goyal - Non Independent Director (DIN: 00503570) - upto September 04, 2019
- H. S. Upendra Kamath - Independent Director (DIN: 02648119) - upto October 17, 2019
- Praveen Tripathi - Independent Director (DIN: 03154381) - upto February 17, 2020

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 Dynamic (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. Suresh Purohit - Chief Financial officer - w.e.f November 12, 2019
- 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

COST AUDITOR

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

LEGAL COUNSEL

Namita Hulle & Associates,
Advocate

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.
- Survey No. 108/1/6, Surangi Road, Near Khadoli Sub Station, Silvassa.

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 **Thirty-First (31st) 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, 2020.

1. FINANCIAL SUMMARY/ HIGHLIGHTS:

The Company's financial performance, for the Financial Year ended March 31, 2020 is summarised below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	24,760.92	49,030.00	24,765.48	53,368.20
Add:- Other Income	708.50	123.64	708.50	123.64
Total Income	25,469.42	49,153.64	25,473.98	53,491.84
Total Expenses	31,133.77	50,728.54	31,138.93	55,061.89
Profit/ (loss) before tax (PBT)	(5664.35)	(1574.90)	(5664.96)	(1570.05)
Less:- Tax expense	(1455.64)	(603.04)	(1455.67)	(601.57)
Profit/ (loss) for the year (PAT)	(4208.71)	(971.86)	(4209.29)	(968.49)
Other Comprehensive Income/ (Loss)	30.86	10.53	30.86	10.53
Total Comprehensive Income/ (Loss)	(4177.85)	(961.33)	(4178.43)	(957.96)

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 2019-20 at Rs. 25,473.98 lakhs was lower by 52.38% over the previous year Rs. 53,491.84 lakhs in Financial Year 2018-19. Total earning after tax for Financial Year 2019-20 is in loss of Rs. 4209.29 lakhs against the loss of previous year of Rs. 968.49 lakhs in Financial Year 2018-19.

On standalone basis, the total revenue of the Company decreased to Rs. 25,469.42 lakhs for Financial Year 2019-20 against Rs. 49,153.64 lakhs in previous Financial Year 2018-19. Your Company reported total loss after tax was Rs. 4208.71 lakhs for Financial Year 2019-20 against the loss of Rs. 971.86 lakhs in Financial Year 2018-19.

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 marketplace 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 any 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 is Rs. 33,86,30,650/- divided in to 3,38,63,065 Equity shares of face value of Rs. 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, your 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:**IMPACT OF COVID-19 PANDEMIC ON THE BUSINESS AND FINANCIAL POSITION OF THE COMPANY**

The outbreak of the COVID-19 pandemic globally and in India, followed by the lockdown in the country has adversely affected the business operations of the Company. After the guidelines issued by the authorities regarding exemption, from time to time, the Company resumed its part manufacturing operations in a phased manner from May 04, 2020, considering the order requirements with the available workforce. Further due to limited workforce and restrictions on deployment of employees in our manufacturing units and offices, the capacity utilization has not been at the desired level. This has affected performance, turnover/ profitability and consequent liquidity position of the Company.

There are no other material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

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:

- a. 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;
- b. 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, 2020 and of the profit and loss of the Company for the year ended on that date;
- c. 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;
- d. That the annual financial statements have been prepared on a going concern basis;
- e. 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
- f. 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. Sanjeev Aggarwal (DIN: 00064076), Chairman & Managing Director of the Company, being longest in the office is liable to retire by rotation at ensuing 31st Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Appointments and cessations of Directors & Key Managerial Personnel are as under:

Appointments:

- Mr. Prashant Krishnaji Deshmukh (DIN: 02410071) was, on recommendation of Nomination and Remuneration Committee, appointed as an Additional Director (Non-Executive- Independent Director) with effect from October 21, 2019 by the Board of Directors of the Company vide Circular by Resolution No. BOD/01/2019-20 dated October 21, 2019 who shall hold office upto the date of ensuing 31st Annual General Meeting of the Company.
- Mr. Jhumarlal Motilal Bhalgat (DIN: 08693670) was, on recommendation of Nomination and Remuneration Committee, appointed as an Additional Director (Non-Executive- Independent Director) with effect from February 14, 2020 by the Board of Directors of the Company at their meeting held on February 13, 2020 who shall hold office upto the date of ensuing 31st Annual General Meeting of the Company. The Company has received a notice in writing from a member of the Company under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company for a term of 3 (Three) years i.e. from February 14, 2020 to February 13, 2023.
- Mr. Dinesh Navnitlal Modi (DIN: 00004556) was, on recommendation of Nomination and Remuneration Committee, appointed as an Additional Director (Non-Executive-Independent Director) with effect from June 23, 2020 by the Board of Directors of the Company vide Circular by Resolution No. BOD/01/2020-21 dated June 21, 2020 who shall hold office upto the date of ensuing 31st Annual General Meeting of the Company. The Company has received a notice in writing from a member of the Company under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the

Company for a term of 3 (Three) years i.e. from June 23, 2020 to June 22, 2023.

- Mr. Ravi Kant Jagetiya (DIN: 08734797) was, on recommendation of Nomination and Remuneration Committee, appointed as an Additional Director (Non-Executive-Independent Director) with effect from July 13, 2020 by the Board of Directors of the Company vide Circular by Resolution No. BOD/04/2020-21 dated July 10, 2020 who shall hold office upto the date of ensuing 31st Annual General Meeting of the Company. The Company has received a notice in writing from a member of the Company under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company for a term of 3 (Three) years i.e. from July 13, 2020 to July 12, 2023.
- Mr. Suresh Purohit, Financial Controller was, on recommendation of Nomination and Remuneration Committee, appointed and re-designated as Chief Financial Officer (CFO) and Key Managerial Personnel of the Company with effect from November 12, 2019 by the Board of Directors at their meeting held on November 12, 2019.
- The tenure of Mr. Rishav Aggarwal (DIN: 05155607), Whole-time Director of the Company, expiring on August 21, 2020. The Board of Directors at its meeting held on July 31, 2020, on recommendation of Nomination and Remuneration Committee, has approved the re-appointment of Mr. Rishav Aggarwal for further period of 3 years with effect from August 22, 2020 and the Board further recommended the same to the Shareholders for their approval in ensuing 31st Annual General Meeting of the Company. His re-appointment and remuneration is in terms of the Section 196, 197, 198, 200 and 203 read with Schedule V of the Companies Act, 2013. The detailed terms and conditions including remuneration have been mentioned in the notice convening 31st Annual General Meeting of the Company.

Cessation:

- Mr. Amit Sudhakar, Chief Financial Officer of the Company has been resigned from the service of the Company with effect from May 20, 2019. Consequently he has also been ceased to act as the Key Managerial Personnel of the Company.
- Mr. Sunil Goyal (DIN: 00503570), Non-Executive Director (Non-Independent) of the Company ceased to be Director with