

**12**

**BRANCH OFFICES**

**3000**

**STRONG DEALER NETWORK**

**7 FACTORIES**

**100**

**DISTRIBUTORS**

**our Growth  
Defines Us**

**KISAN MOULDINGS LIMITED**

**ANNUAL REPORT**

**2011-2012**

**BOARD OF DIRECTORS**

Ramesh J. Aggarwal - Chairman  
Vijay J. Aggarwal - Vice Chairman - 1 and  
Whole time director  
Ashok J Aggarwal - Vice Chairman - 2  
Satish J. Aggarwal - Managing Director  
Sanjeev A. Aggarwal - Joint Managing Director  
R.D. Suvarna  
S. K. Jain  
T.B.Subramaniam  
Sunil Goyal  
Kunal R. Aggarwal  
Swaminathan Sundararajan Mittur

**STATUTORY AUDITORS**

M/s Mittal & Associates  
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.  
Barclays Bank Plc.  
ICICI 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**

Survey No. 64/1, 63/1, 70, 71, 72, 74/1/1 Village - Mahagaon, Taluka - Palghar, Boisar Dist.  
Survey No. 34/1/1, Village-Umerkui, Silvassa- D. & N. H.(U. T.).  
Plot No. 67 to 74 and 80 to 89, Birkoni Industrial Area, Mahasammund, Chattisgarh - 493 445.  
Plot No. 5/A/5 Industrial Area no 2 Dewas - 455001  
Plot No. 127/2, 128/1, Village Bir Plassi , Tehsil Nalagarh , Solan - 174101  
Plot No. 172b & 173A, Zone -3 Vasantha Narasapura industrial Area, Kora Post , Tumkur-572138  
Plot No. H-42 to H-53, RICO Industrial Area, Phulera, Dist. Jaipur, Rajasthan.

**REGISTRAR AND SHARE TRANSFER AGENT**

Sharex (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 limited

**COMMITTEE OF THE BOARD**

**1. AUDIT COMMITTEE**

T. B. Subramaniam - Chairman  
Sunil Goyal  
S. K Jain  
R. D. Suvarna

**2. REMUNERATION COMMITTEE**

S. K. Jain - Chairman  
R. D. Suvarna  
Sunil Goyal

**3. SHAREHOLDER'S/INVESTORS' GRIEVANCE COMMITTEE**

S. K. Jain - Chairman  
Vijay J. Agarwal  
T. B. Subramaniam  
Ashok J. Aggarwal

**4. PERFORMANCE REVIEW COMMITTEE**

Satish J. Aggarwal  
Sanjeev A. Aggarwal  
T. B. Subramaniam  
Sunil Goyal



Kisan continues to deliver superior long-term Shareholder value by emphasizing our competitive advantages of disciplined investing in a balanced portfolio of diverse integrated business, bolstered by high-impact technologies and operational excellence. These competitive advantages with dedicated corporate citizenship, position the company well for the future.

**Satish Aggarwal**  
Managing Director

## To Our Shareholders

Kisan is proud to play a leading role in providing piping solutions to the country's needs that supports the economic growth, technological advancement and the well being of all communities.

The year that has gone by, was one filled with challenges for the Industry as well as the Company. The global economy was largely impacted due to the economic slowdown in the US and the European Countries. The Gross Domestic Product (GDP) for the financial year 2011-12 remained lower than the targeted GDP. The Indian Plastic Industry was affected not only by the slower economic growth but also by the weakening of the rupee and volatility of the international crude oil price which determines the major raw material cost for the Industry.

The Company however, continued its progress in the financial year 2011-12, albeit at a slower pace than expected. During the financial year 2011-12, the Company's plants at Tumkur, Bangaluru and Phulera - Jaipur successfully commenced operations. The benefits of the said additional capacity will be received in the current financial year. The Company also developed and introduced new products for the Agriculture Industry in the market. The Company has taken a significant forward step with the commissioning of the project for CPVC which is presently manufactured by only few manufacturers in India.

During the current financial year, two more plants will be added by your Company, subject to the order of Hon'able High Court, Bombay for demerger of two units

of Kisan Irrigations Ltd.

Kisan Mouldings Limited operates in an expanding plastics industry that continues to evolve. Within each of our business segments, we have a balanced and highly competitive portfolio of resources, projects, products and assets.

Our dealer network remains one of the country's largest network, which is omnipresent in almost all locations in the country. It also acts as a one-stop shop for a range of high-value plastic products. Our portfolio for Agri & SWR Pipes & Fittings allows us to capture economies of scale and leverage the cost advantages of operating in close co-ordination with our local markets. The diversity of our product mix positions us to maximise earnings throughout different economic cycles.

Underpinning all of these opportunities are high-impact technologies that we have adopted and invested heavily in, over the last five years, which continue to support our robust growth.

We remain committed to delivering value to our shareholders as we move forward into the future with the important task of meeting the various challenges that maybe faced by the plastic industry in a safe, secure and environmentally friendly manner.

A close-up photograph of several white PVC pipes stacked together. The pipes are arranged in a way that shows their circular openings and the texture of the material. The lighting is soft, highlighting the smooth surface of the pipes. The text 'Expanding Vision, Evolving Strategies' is overlaid in the center of the image in a white, sans-serif font. The word 'Vision' is significantly larger and bolder than the other words.

Expanding **Vision**,  
Evolving **Strategies**



## **Our Corporate Strategy**

At Kisan, we are focused at our objective: To design, build and market India's best products. This objectives fuels the development of world-class products that are winning in the market place, and is helping to transform our business and bolster our revenues.

This Business model also creates a self-sustaining cycle of reinvestment that drives continuous improvement in our product design, manufacturing discipline , brand strength, competitive pricing and margins.





# Kisan

## New Business Model

The following 4 pillars help us in imparting the insight, commitment and vision of our business model to the market every day thus helping us yield positive results for our investors, employees and customers across:

### Design

Focusing on Quality products; Leveraging the Experience to create most compelling Products.

### Build

Optimising our geographical footprint to cost-effectively develop & reduce time-to-market.

### Market

Maximise revenues with product & geography based Brand strategy ; delivering world-class products to market.

### Reinvest

Reinvesting cash and profits consistently into Business & Technology development , regardless of business cycle.



## Design

Focusing on Quality products ; Leveraging our decades of experience to create the most compelling products , leading in the research and development of advanced technologies to reinvent the future of plastics.

## Build

Optimizing our geographical footprint to cost-effectively develop and reduce time-to-market of our best-in-segment products. Maximizing the efficiencies of operating our facilities in an environmentally and socially-responsible manner.

## Market

Maximizing revenues with a focused product and geography based brand strategy; delivering world-class products to the marketplace that offer our customers better value proposition, with higher incentives and appropriate pricing.

## Reinvest

Consistently reinvesting cash and profits into business and technology development at strategic points in the business cycle. Putting our financial strength to work to ensure the





The image shows a large stack of green plastic mulch rolls. Each roll is secured with a white strap that has a label. The labels contain the text 'Kisan' and 'SUCTION'. The rolls are stacked in a way that shows the texture of the plastic and the repetitive pattern of the straps and labels.

## Long Term Planning

What we create and market is more than a commodity. It is an enabler of progress for Infrastructure & agri-business development. Affordable and reliable products bolster rising living standards and contributes to opportunities for better health, food & social welfare. Sustaining such progress by meeting growing demand for plastics products represents a tremendous challenge, which requires continuous development of production capacities while keeping in mind our utmost goal of Quality "The Mark of Excellence". This endeavour requires technological innovation and a long-term perspective that look beyond current economic conditions. With our competitive advantage of balanced product portfolio, discipline investing, high-impact technologies and operational excellence. Kisan is uniquely positioned to help meet these plastic industry challenges.

## Revenues (₹ in Lakhs)



## Book Value Per Share (In ₹)



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## **23<sup>rd</sup> Annual Report 2011-2012**

### **NOTICE**

**NOTICE** is hereby given that the Twenty third Annual General Meeting of the Members of Kisan Mouldings Limited will be held at Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai - 400 059 on Saturday, 29th September, 2012 at 11.30 a.m. to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2012 and Balance Sheet as on that date along with 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 Mr. Ashok 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 Mr. T. B. Subramaniam 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 Mr. S. K. Jain who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
6. To appoint M/s. Mittal & Associates, Chartered Accountants (Firm Registration No. 106456W) as Statutory 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 Mr. S. Sundara Rajan Mittur, who was appointed as an Additional Director of the Company on 14th February 2012, pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 98 of Articles of Association of the Company and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 along with necessary deposit from a shareholder proposing his candidature be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**By Order of the Board**

**Satish J. Aggarwal**  
**Managing Director**

Place: Mumbai  
Date: 30th May, 2012

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. Proxy shall not vote except on a poll.
3. As per Clause 49 of the listing agreement, information regarding appointment / re appointment of Directors and an explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special business Item no. 6 are annexed hereto.
4. Members holding shares in demat form are requested to intimate all changes pertaining to their bank account details, Electronic Clearing Services (ECS) mandate, nominations, power of attorney, change of name, change of address, etc. only to their Depository Participants (DPs) and not to the Registrar and Transfer Agent (RTA) or the Company. Once such intimations are taken on record by the DPs, they would then become effective. Similarly, in case the mailing address mentioned on this Notice is without the PIN Code, Members are requested to update their PIN Code with their DPs.
5. Members holding shares in physical form may intimate all such changes to the RTA/the Company.
6. Members are requested to make all other correspondence in connection with the equity shares held by them by addressing letters directly to the RTA viz. Sharex Dynamic (India) Private Limited, Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai - 400 072 or to the Company at its Registered Office mentioned elsewhere in this Notice, quoting reference of their Client ID number and DP ID number.
7. The Register of Members and Share Transfer Books will remain closed from 27th September, 2012 to 29th September, 2012 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March 2012, if declared at the Meeting and for the purpose of the Twenty third Annual General Meeting or any adjournment thereof.
8. All documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days up to the date of the Meeting.
9. Members are requested to bring duly filled in Attendance Slip along with their copy of Annual Report to the Meeting.
10. In terms of Section 109A of the Companies Act, 1956, individual members of the Company may avail nomination facility. Hence, the members holding shares in physical form and willing to avail this facility may write to the Company which shall on receipt of such request send the prescribed form to the member. The member would then be required to submit the said form duly filled in to the Company. However, in case shares are held in demat form the members should approach their respective Depository Participant for making nominations.
11. Corporate Members intending to send their authorized representative to attend and vote at the Meeting, are requested to ensure that the authorized representative carries a duly certified true copy of the Board Resolution, Power of Attorney or such other valid authorization, authorizing him to attend and vote at the Meeting and any one of the photo identity proof (viz. Driving License, Pan Card, Election Card, Passport).
12. Securities and Exchange Board of India vide its letter No. DCC/FITTCIR- 3/2001 dated 15th October, 2001 has made it mandatory for all companies to use the Bank Account details furnished by the Depositories for depositing dividend through ECS to investors where ECS and Bank details are available. Members may, therefore, give instructions regarding Bank Accounts in which they wish to receive dividend, directly to their DPs. The Company will not entertain any direct request from such Members for deletion of/change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form and vice - versa.

## **23<sup>rd</sup> Annual Report 2011-2012**

13. The Reserve Bank of India (RBI) vide its circular 376-DPSS. (CO) EPDD. No. 191-04.01.01-2009-2010 dated July 2009 has instructed banks to move to the National Electronic Clearing Services (NECS) platform w.e.f October 1, 2009.

In this regard, please note that if the Members have not provided to the Company or their DP the bank account number, if any, allotted to them, after implementation of Core Banking System (CBS), credit of dividends through NECS to their old bank account number, may be rejected or returned by the banking system.

In the above circumstances, the Members holding shares in physical form are required to furnish to the R & T Agents at the aforesaid address, the new bank account number, if any, allotted to them by their bank after it has implemented the CBS together with name of the Bank, Branch, 9 digit MICR Bank/Branch code, account type by quoting their folio number and a photocopy of the cheques pertaining to their bank account, so that the dividend can be credited to the said bank account. Those members holding shares in dematerialized form are requested to provide the details to their DP.

14. Ministry of Corporate Affairs (MCA) vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively have clarified that a company would be deemed to have complied with provisions of Sections 53 and 219(1) of the Companies Act, 1956, if documents like notices, annual reports etc. are sent in electronic form to its members.

Accordingly, the said documents of the Company for the financial year ended March 31, 2012 will be sent in electronic form to those Members who have registered their email address with their DP and made available to the Company by the Depositories.

Members holding shares in physical form are requested to submit their email address to the R & T Agents, duly quoting their Folio number. Members holding shares in electronic form and who have not registered their email address with their DP are requested to do so at the earliest, so as to enable the Company to send the said documents in electronic form, thereby supporting the initiative of the MCA.

**By Order of the Board**

**Satish J. Aggarwal**  
**Managing Director**

Place: Mumbai  
Date: 30th May, 2012



**ANNEXURE TO NOTICE**

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

Name	Shri T. B. Subramaniam	Shri S. K. Jain	Shri Ashok J. Aggarwal	Shri Swaminathan Sundararajan Mittur
Age	75 years	65 years	63 years	62 years
Qualification	M.Com, CAIIB and FSAA(I)	B.Sc & CAIIB	Commerce Graduate	M.Com, ACS, CAIIB
Nature of Expertise & Experience	32 years of experience in Bank. He has worked with IDBI and having specialization in Project Financing.	Wide experience in the field of banking and has worked with the Punjab National Bank for a long period of time	He has a rich experience in field of manufacturing of PVC Pipes, Fittings and Allied Products and supervision of administrative activities.	He is an Indian Banking consultant, Economist and was previously the head of India Bank. He has also won the 'Golden Peacock Award' in 2009 on behalf of the Indian bank. His core expertise is in investment banking, project finance, corporate restructuring and capital market.
Name of other Companies in which also holds Directorship	1) Ladderup Finance Limited 2) Galada Power & Telecommunication Limited	None	1) Kisan Irrigations Limited	1) NSDL Database Management Limited 2) Varun Industries Limited 3) The Clearing Corporation of India Limited 4) Sundaram Trustee Company Limited 5) Royal Sundaram Company Limited 6) Alliance Insurance Company Limited 7) My mobile Payments Limited 8) BGR Energy Systems Limited 9) Gitanjali Gems Ltd.

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Name of other Companies in Committees of which holds Membership/ Chairmanship	1) Ladderup Finance Limited - a) Audit Committee  2) Galada Power & Telecommunication Limited - a) Audit Committee, b) Remuneration Committee c) Investors Grievance Committee	None	None	None
Shareholding in Kisan Mouldings Limited	2500	2500	184079	Nil



## DIRECTORS' REPORT

The Members, Your Directors have pleasure in presenting the Twenty third Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2012.

### FINANCIAL RESULTS :

Financial Results for the year ended 31st March 2012 is as under :

(₹ in Lacs)

Particulars	Current Year 2011 - 2012	Previous Year 2010 - 2011
Revenue from Operation	29007.92	24073.17
Other Income	147.50	102.68
Profit before Depreciation, Interest and Tax (PBDIT)	3451.14	2709.23
Less: Interest (Net)	1799.39	1489.20
Less: Depreciation	906.86	735.58
Profit before Tax	744.89	484.45
<b>Provision for Taxation :</b>		
- Income Tax	131.26	17.78
- Deferred Tax	101.13	131.52
- MAT Credit Entitlement	31.07	0.00
- Short provision of earlier years	41.58	0.00
Profit after Tax from continuing operations	439.85	335.15
Profit from discontinuing operations	0.45	37.11
Balance brought forward	2128.66	1940.97
Balance available for appropriations:	2568.96	2313.23
<b>APPROPRIATION</b>		
Amount transferred to Reserve	0.00	25.00
Proposed Dividend	81.93	136.39
Dividend Tax	13.29	23.18
Balance carried to Balance Sheet	2473.74	2128.66

### Performance:

Your Company continued to maintain its operations by registering Sales from the continuing operations of ₹ 29007.92 Lacs as against ₹ 24073.17 Lacs in the previous year. Profit before Depreciation, Interest and Tax has increased from ₹ 2709.23 Lacs to ₹ 3451.14 Lacs. After providing for Interest and Depreciation amounting to ₹ 1799.39 Lacs and ₹ 906.86 Lacs respectively, the Profit before Tax for the year under review has amounted to ₹ 744.89 Lacs compared to ₹ 484.45 Lacs in the previous year. Net profit After Tax from continuing operations for the year after all adjustments was amounted to ₹ 439.85 Lacs as compared to ₹ 335.15 Lacs in the previous year. After adding ₹ 2128.66 Lacs being the balance brought forward from previous year, the balance available for appropriations stands at ₹ 2568.96 Lacs. Barring unforeseen circumstances, your Directors are confident of achieving better results in the ensuing year.

### Dividend:

Your Directors are pleased to recommend a dividend at the rate of ₹ 0.60/- per share i.e. @6% per share (Previous Year ₹ 1/- per share i.e. @10% per share) on the Paid-up Equity Share Capital of the Company.

**Demerger of Roha and Silvassa Undertakings of Kisan Irrigations Limited as going concern to Kisan Mouldings Limited:**

The Scheme of Arrangement of Demerger of Roha and Silvassa Undertakings ("the demerged Undertakings") of Kisan Irrigations Limited as going concern to the Company (Kisan Mouldings Limited) has been filed with the High Court, Bombay for obtaining their approval under the provisions of Section 391 to 394 of the Companies Act, 1956. On receipt of the said approval, necessary formalities for demerger of the said units and merging with the Company will be completed.

**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 had been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them 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 at the end of the financial year and of the profit of the Company for the year.
- 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 Directors had prepared the Annual Accounts for the Financial Year ended 31st March, 2012 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 Companies (Acceptance of Deposits) Rules, 1975 as amended.

**Report on Corporate Governance Compliances and Management Discussion and Analysis:**

As required under Clause 49 of the Listing Agreement, the Report on Corporate Governance Compliances along with Management Discussion Analysis and the Certificate issued by M/s. Rathi & Associates, Practicing Company Secretaries regarding compliance of conditions of Corporate Governance, form part of this Report.

**Directors:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Ashok Aggarwal and Shri T. B. Subramaniam and Shri S. K. Jain Directors of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. S. Sundara Rajan Mittur was appointed as Additional Director with effect from 14th February 2012 to hold office upto the date of ensuing Annual General Meeting and is eligible to hold the office and hence offer himself for appointment as Director liable to retire by rotation. The Company has also received notice from a shareholder under Section 257 of the Companies Act, 1956, proposing his candidature. The Board recommends his appointment.

A brief profile of the above named Directors, as required under Clause 49VIA of the Listing Agreement is attached to the Notice of the ensuing Annual General Meeting.

**Auditors:**

M/s. Mittal & Associates, Chartered Accountants (Firm Registration No. 106456W), 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 Statutory Auditors of the Company.

**Auditors' Comment:**

The observations made by the Auditors in their Report 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.

**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**  
**Date: 30th May, 2012**

**Satish J. Aggarwal**  
**Managing Director**

**Sanjeev A. Aggarwal**  
**Joint Managing Director**

**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 the Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended March 31, 2012.

**A. POWER AND FUEL CONSUMPTION**

Electricity	Unit	2011-2012	2010-2011
Purchased	KWH	3,09,11,829	2,08,09,452
Total Amount	₹ In Lacs	1859.06	1010.56
Average rate per unit	₹	6.01	4.86

**B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT**

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	₹	77.55	Lacs
Total Foreign Exchange outgo	₹	1520.12	Lacs

**For and on behalf of the Board**

**Place: Mumbai  
Date: 30th May, 2012**

**Satish J. Aggarwal  
Managing Director**

**Sanjeev A. Aggarwal  
Joint Managing Director**





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Kisan Mouldings Limited ("KML"), one of the pioneers of a new trend in the manufacturing industry known for its unconventional innovations, has established its position in the field of pipes and fittings for Water Management, Irrigation, Water Distribution and Sewage Disposal Systems. The Company is one of the largest manufacturers of multiple applications of pipes for water supply, sanitation, sewerage, construction, cable ducting, drinking water, tube wells, submersible pumps and other polymer products for various uses. The Company also actively engaged in manufacturing of Plastic Moulded Fittings and Furniture.

### A. INDUSTRY STRUCTURE AND DEVELOPMENT :

The Global economy witnessed declining growth due to slow down of major economies of the world, i.e. USA and European Union Countries. This has largely impacted the Indian Economy. The Indian Economy was further affected with non decisiveness from the Centre and State Government on various policy and reform matters. The Plastic Industry was affected with high crude price and depreciation of rupee, which increased the input costs many folds.

Though overall "Plastic Industry" is a rapidly growing industry, owing to its easy moulding, non-corrosive and moisture-resistant qualities plastics have a variety of uses in packaging industry, manufacture of household goods, building and construction materials, industrial goods, agricultural goods, electrical accessories, imitation jewellery etc., registered low growth rate during the financial year 2011-12.

The plastic industry has two distinct phases: (1) production of raw materials, and (2) moulding and fabrication of plastic goods. The Company is engaged in the conversion process which involves the moulding and fabrication of plastic goods using polymer. Manufactured products include packaging, household goods, building and construction material, industrial goods and agricultural material. Presently, the Company is manufacturing wide range of semi - urban products like PVC Pipes & Fittings for Plumbing & Sanitary applications, PVS Casing Pipes, Submersible Rising Main Pipes & Moulded Furniture under the Brand  & . The industry is wide scattered. These goods are manufactured by big companies as well as by small scale enterprises.

### B. BUSINESS PERFORMANCE

The Company is presently operating with 7 (Seven) manufacturing facilities across India with 13 branch offices and dealer network of more than 3000 extended its reach in almost all major cities of the nation. But, the Company also did not remain insulated from the impact of overall economic and Industry's down turn. However, the Company managed to achieve 20% growth in terms of volume and 5% in terms of quantity compared to previous financial year. Needless to mention, the margin of the Company during the financial year 2011-12 affected severally with high crude prices, volatile raw material market and depreciation of value of rupee.

During the current financial year the Company introduced new products in Submersible Pipes, Drip Irrigation and Sprinkler System range which are mainly used in the Agriculture Industry. The Company has also achieved capability of manufacture high diameter pipes in the range of 315".

During the year under review, the Company achieved sales of ₹ 290.07 crores compared to ₹ 240.73 crores registering a growth of 20.5% compared to previous financial year. However, as informed Net profit before exceptional and extraordinary items was reduced to ₹ 6.27 crores from ₹ 7.19 crores. Net Profit after tax for the financial year under review was amounted to ₹ 4.40 crores compared to ₹ 3.35 crores of the previous financial year.

### C. SEGMENT WISE PERFORMANCE

Since its inception in 1989 the Company has grown into a multi - location Company from single product Company to multiple segments within the Plastic Industry.

The Company's segment wise performance for the financial year 2011-12 is as under:

Segment	Sales Revenue ₹ in lacs)	Sales Quantity (in MT)	% of Total Turnover	Profit before Interest, Tax and prior period and Extra ordinary items (₹ in lacs)
Pipes & Fittings	24016.11	26672.10	82.26%	2029.00
Moulded Furniture	4991.81	4848.78	17.11%	397.29
C. P. Fittings*	182.58	----	0.63%	30.54

\*Discontinue Operation

**D. FUTURE OUTLOOK :**

The Indian plastics industry is expanding at a phenomenal speed and also among the fastest growing sectors in the country. It is expected that this industry's turnover may rise to Rs 1,000 billion (Rs 100,000 crore) in 2012-13. India's demand for plastics in Irrigation Industry alone is projected to surpass 2.5 million tonnes by 2015.

The Company has after considering the present market conditions has revised its product mix and it is decided give more focus on the Irrigation Market and it is expected that out of the total operations, the Company will generate 60% of its revenue from supplies to the said Industry.

During the financial year 2011-12, the Company two major expansion schemes of setting up of additional capacity at Tumkur-Bangalore and at Phulera-Jaipur. After successful trial run in last quarter of the financial year 2011-12, The Company commenced commercial operations at Tumkur Plant and Phulera Plant. The Company has set up the facilities for manufacture of CPVC Pipe Fittings at Tumkur Plant which is new product introduced in Indian Market. There are only 4 to 5 manufacturers in India engaged in the said product and hence good scope available for the Company in this area. The CPVC products is useful in the high temperature process wherein the other normal pipes may not be able to sustain under the higher temperature, however, the pipes made from the CPVC has capacity to sustain in the high temperature.

The Company also commenced operations at Phulera Plant for Pipes and Fittings. This would give an advantage to cater to the demand of Rajasthan and other nearby state and would be able to save cost on transportation and deliver the goods as per the time schedule.

Additionally, the Company has also taken major step of relocation its machinery between the plants to take advantage of minimum transportation cost, timely delivery and to ensure more capacity utilization based on the available demand in various locations.

The Company's application for Merger of Roha and Silvassa Undertakings to be demerged from Kisan Irrigations Limited is expected to receive approval of the Hon'ble High Court Bombay very soon. This merger will further boost presence of the Company and reckon it a significant force and improve the realization. After merger the Company will cater to majority of the piping requirements.

The Company is expected to further consolidate its position in 2012-13 with the said new range of products offerings and commissioning of new plants.

## **E. OPPORTUNITIES & THREATS**

### **Opportunities**

Plastic industry also called as 'sunrise industry' is a postwar phenomenon in the country. It is a rapidly growing industry. Over the years, India has made significant progress in the industrial world with healthy economic growth. Plastics, one of the fastest growing industries in India, have a vital role to play. Major international companies from various sectors such as automobiles, electronics, telecommunications, food processing, packing, healthcare etc. have set-up large manufacturing bases in India. Therefore, demand for plastics is rapidly increasing and soon India will emerge as one of the fastest growing markets in the world. India's plastic industry's turnover is expected to surge to ₹ 1,000 billion ( ₹ 100,000 crore) during year 2012 from the present ₹ 85,000 crore.

The Company has capacity to reap the benefit of the favourable market conditions with advantage of:

- benchmarked quality products in Fittings in the Indian market;
- varied offering of fittings that are developed in conformation with relevant national and international standards and made from the highest quality resin;
- tremendous hard work along with strategic planning at every step to achieve the target;
- "Kisan" Brand name is one of the most entrenched producers of Plastic & Polymer Pipes that hold an aptitude to handle large scale orders effortlessly

### **Threats**

#### **Availability of Raw material**

Availability of good quality of raw materials is prime concern for the industry.

Leading Petrochemical companies of India such as Oil Natural Gas Company Limited, Reliance Industries Limited and Hindustan Petroleum etc. have undertaken major expansion schemes for manufacture of polymers. Secondly, India imports plastic polymers from West European countries, Japan and the United States. It also exports plastic goods to neighbouring Asian and African countries. The Indian Exporters face competition mainly from China, Thailand, Indonesia, Korea and Malaysia.

Hence, the Industry is expected to get timely and sufficient quality of raw materials in coming years.

#### **Environmental risks**

Plastic industry besides facing the shortage of raw material and competition from abroad is facing stiff opposition from environmentalists.

This needs a comprehensive "public education campaign" and waste recycling policy to tide over the situation. Government of India has also taken steps in the recent past to ban the lower grade hazardous plastic materials.

#### **Volatility in prices of raw material, Natural Calamities & competition**

To meet the increased demand for new products, the Company encountered certain risks and concerns such as increase in material costs, competition from un-organized sector, increase in capital costs. 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.

The Company caters to demand of 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 for the Company's products.

These identified risks and opportunities are integrated into annual plans. The action plans to mitigate the identified risks are thereafter drawn up and its implementation are continuously monitored and wherever necessary immediate steps are taken to overcome the unfavourable condition to the extent possible.

#### **F. INTERNAL CONTROL SYSTEMS**

The Company has strong control framework which is prerequisite for establishing an effective governance framework. The Internal Control systems designed and implemented are commensurate with the size, scale and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorize, recorded and reported.

The Company has a well defined organization structure, authority levels and internal guidelines and rules for conducting business. It also has an adequate internal audit and control systems, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process. The internal audit function team comprises of well-qualified, experienced professionals who conduct regular audits across the Company's operations to ensure adequacy of internal control systems, adherence to management instructions and compliance with laws and regulations of the country. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, and internal auditors. The Audit Committee of the Company, in its periodical meetings, reviews the adequacy of internal control systems and procedures and suggests areas of improvements.

#### **G. HUMAN RESOURCE DEVELOPMENT**

The Company ensures optimum level of production, safe and reliable operations while maintaining the highest level of health, safety and environment standards for its employees. Human resource is considered as key to the growth strategy of the Company and looked upon to focus its efforts to align human resource policies, processes and initiatives to meet its business needs. Hence, lot of emphasis is placed on quality of manpower employed and dedicated team. The team consists of skilled associates, efficient management team and a large number of employees, who support in delivering excellence in quality.

Thus, the team encompasses a fusion of various age groups dominated by the youth. The Company's philosophy is to provide congenial work environment to its employees, which in turn results in quality work from the employees. Industrial relations at all the units and locations are very cordial.

#### **H. CAUTIONARY STATEMENT**

Statements in the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.





## REPORT ON CORPORATE GOVERNANCE

### (A) Company's Philosophy:

The essence of Corporate Governance lies in its transparency and its efficiency lies in its ability to protect the stakeholder's interest. The Company's governance process and practice has been framed and designed to achieve a transparency and professionalism in action as well as the implementation of policies and procedures to ensure high ethical standards as well as responsible management. The governance process is such as to ensure proper utilization of resources in a manner intended to meet the expectations of all the Stakeholders. The Company believes in meeting the obligations of all the stakeholders, including amongst others, shareholders, customers, employees and the community in which it operates.

Good Corporate Governance contributes to sustainable development by enhancing the performance of Companies. Better Corporate Governance allows Companies to recognize and act to fulfill their environmental and social responsibilities. Accordingly, it contributes to long-term, sustainable growth.

The Company's corporate governance policies and practices for 2011 - 2012 are as under:

#### The Company has following tiers of the Governance Pyramid:

- ➔ Shareholders
- ➔ Board of Directors
- ➔ Committees of the Board
- ➔ Executive Management

Each of the tiers operates within the given parameter as per prevailing laws and regulations or the practices prevalent in the industry.

### (B) Board of Directors:

#### (i) Board Composition

The Company recognizes the need and importance of having a strong and broad based Board and hence has maintained an optimum combination of Executive and Non - Executive Directors. The Composition of the Board is in accordance with the requirements of the Corporate Governance Code of the Listing Agreement with the Stock Exchanges. The Board of Directors comprises of majority of Non-Executive Directors, having rich and varied experience and imparts the desired level of independence to the Board. Therefore, the Board of Directors of the Company consists of optimal combination of Executive, Non-Executive and Independent Directors. As on March 31,2012 the Board of Directors has Three (3) Executive Directors and Eight (8) Non-Executive Directors of which Five (5) are Independent Directors. The Chairman of the Board is Non-executive Director.

The day-to-day management of the Company is conducted by the Executive Directors subject to the supervision and control of the Board of Directors. The Managing Director of the Company is assisted by other functional Directors.

The constitution of the Board and other relevant details relating to Directors as on March 31, 2012 are as under:

Name of Director	Category	Number other		
		Directorships #	Committee Membership \$	Committee Chairmanship \$
Shri Ramesh J. Aggarwal	Chairman and Non- Executive	1	-	-
Shri Satish J. Aggarwal	Managing Director Executive	1	-	-
Shri Sanjeev A. Aggarwal	Joint Managing Director Executive	1	-	-
Shri Vijay J. Aggarwal	Vice Chairman - 1 and Whole Time Director	1	-	-
Shri Ashok J. Aggarwal	Vice Chairman – 2 Non- Executive	1	-	-
Shri Sunil Goyal	Non- Executive Independent	2	1	-
Shri R. D. Suvarna	Non- Executive Independent	-	-	-
Shri S. K. Jain	Non- Executive Independent	-	-	-
Shri T. B. Subramaniam	Non- Executive Independent	2	-	3
Shri Kunal R. Aggarwal	Non- Executive Independent	-	-	-
Shri Swaminathan Sunderajan Mittur*	Non- Executive Independent	8	-	-
Shri S.S. Gupta **	Non- Executive Independent	-	-	-
Smt. Monika Seth**	Non- Executive Independent	1	-	-

\* Appointed as Additional Director since 14<sup>th</sup> February, 2012.

\*\* Resigned as Director w.e.f 17<sup>th</sup> June, 2011.

# Other Directorship excludes Directorships held in Private Limited Companies, Foreign Companies and Section 25 Companies.

\$ Committee of Directors includes Audit Committee and Shareholders' / Investors' Grievance Committee of Directors only.

(ii) **Board Meetings and Attendance of Directors:**

The Board meets at least once in a quarter to consider amongst other businesses the performance of the Company and quarterly financial results. Additional Board Meetings are held as and when



necessary. The Board Meetings are generally held at the Registered Office of the Company at Mumbai. Agenda for each meeting along with explanatory notes are drafted and distributed well in advance to the Directors. Every Board Member is free to suggest the inclusion of items on the agenda.

During the financial year ended March 31, 2012, the Board met Five times i.e. on May 30, 2011 (which was adjourned on June 17, 2011), June 17, 2011, August 12, 2011, November 12, 2011 and February 14, 2012.

The Details of attendance of Directors at Board Meetings held during the Financial Year 2011-12 and the last Annual General Meeting are as under:

Name of Directors'	Number of Board Meetings Held	Number of Board Meetings Attended	Whether Attended last AGM
Shri Ramesh J. Aggarwal	5	1	No
Shri Satish J. Aggarwal	5	5	Yes
Shri Vijay J. Aggarwal	5	2	Yes
Shri R.D. Suvarna	5	4	Yes
Shri S.K. Jain	5	5	Yes
Shri T.B. Subramaniam	5	4	Yes
Shri Sanjeev A. Aggarwal	5	4	Yes
Shri Ashok J. Aggarwal	5	5	Yes
Shri Sunil Goyal	5	2	Yes
Shri Kunal R. Aggarwal	5	1	No
Shri Swaminathan Sunderajan Mittur*	1	–	No
Shri S.S. Gupta**	1	–	No
Smt. Monika Seth**	1	–	No

\* Appointed as Additional Director of the Company since 14<sup>th</sup> February, 2012.

\*\* Resigned as Director of the Company w.e.f 17<sup>th</sup> June, 2011.

**(C) Board Committees:**

Currently, Four Committees have been constituted by the Board viz.:

- I Audit Committee
- II Remuneration Committee
- III Shareholders' / Investors' Grievance Committee
- IV Performance Review Committee

Three of these committees are chaired by Non-Executive/Independent Directors and one Committee by Executive Director. As on date, the Audit Committee comprises of all Four Non-Executive Independent Directors. The Remuneration Committee comprises of three Non-Executive Independent Directors. The Shareholders'/ Investors' Grievance Committee comprises of two Non - Executive Independent Directors, one Non – Executive Director and one Executive Director. The Performance Review Committee comprises of four Directors, of which two are Executive Director and two are Non-Executive Independent Directors. The Board is responsible for the constituting, assigning, co-opting and fixing the terms of reference for said Committee(s). Recommendations of the Committees are submitted to the Board for approval.

The quorum for Committee Meeting is either two members or one-third of the total number of Members of the Committee, whichever is higher. Draft Minutes of the Committee Meetings is circulated to the Members of that Committee for their comments and thereafter, confirmed in its next Meeting. The Board of Directors also takes note of the Minutes of the Meetings of the Committees, at their Board Meeting.

**(I) Audit Committee:**

**Terms of reference and Scope:**

Terms of reference and scope of Audit Committee is wide enough covering all the matters specified for Audit Committee under Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee inter alia include following:

1. Provide an open avenue of communication between the independent auditor and the Board of Directors ("BOD").
2. Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve the payment for other services.
3. Meet four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
4. Confirm and assure the independence of the external Auditor.
5. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
6. Consider and review with the independent auditor the adequacy of internal controls including the computerised information system controls and security.
7. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
8. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - (a) Any changes in the accounting policies and practices
  - (b) The going concern assumption
  - (c) Compliance with accounting standards
  - (d) Compliance with stock exchange and legal requirements concerning financial statements
  - (e) Significant adjustment arising out of audit
9. Consider and review with the management and the Independent Auditor:
  - (a) Significant findings during the year, including the status of previous audit recommendations,
  - (b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
10. Review of the following information:
  - (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions submitted by the management;
  - (c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
11. Any other terms of references as may be included from time to time in accordance Clause 49 of the Listing Agreement with the Stock Exchanges.

**Primary Objectives of the Audit Committee**

As required under Section 292A of the Companies Act, 1956 read with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board has constituted an Audit Committee. This Committee acts as a link between the Statutory Auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of

internal controls, reliability of financial statements and other management information and adequacy of provisions of liabilities. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process by the management, including the Independent Auditor - and notes the process and safeguards employed by each.

**Composition of the Audit Committee as on March 31 2012:**

The Audit Committee is constituted in accordance with the Corporate Governance Code of the Listing Agreement and the provisions of Section 292A of the Companies Act, 1956 and comprises of all Non-Executive Independent Directors. Shri T. B. Subramaniam, a Non-Executive Independent Director acts as the Chairman of the Audit Committee. All the Members of the Audit Committee are financially literate.

The Statutory Auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.

**The Audit Committee currently comprises of the following Members:**

1. Shri T.B. Subramaniam - Chairman (Non executive Independent Director)
2. Shri Sunil Goyal - Member (Non executive Independent Director)
3. Shri S.K.Jain - Member (Non executive Independent Director)
4. Shri R.D. Suvarna - Member (Non executive Independent Director)

**Audit Committee Meetings and Attendance during the financial year ended March 31 2012:**

During the financial year ended March 31, 2012, Five Audit Committee Meetings were held on May 30, 2011, June 17, 2011, August 12, 2011, November 12, 2011 and February 14, 2012.

The table hereunder gives the attendance record of Members of the Audit Committee.

Name of the Members	No. of Meetings held	No. of Meetings Attended
Shri T.B. Subramaniam	5	4
Shri Sunil Goyal	5	2
Shri S. K. Jain	5	5
Shri R.D. Suvarna	5	4

The Committee has recommended to the Board the appointment of M/s. Mittal & Associates, Chartered Accountants, as the Statutory and Independent Auditors of the Company for the Financial Year 2012-13.

**(ii) Remuneration Committee:**

The Broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives including the Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

The Committee comprises of the following members:

1. Shri S. K. Jain - Chairman (Non executive Independent Director)
2. Shri R. D. Suvarna - Member (Non executive Independent Director)
3. Shri Sunil Goyal - Member (Non executive Independent Director)

During the Financial year, 2011-12, no remuneration Committee Meetings was held.

**Remuneration Policy:**

The Company's remuneration policy is driven by success and performance of the individual employee/Executive Directors and the Company through its compensation policy, endeavors to attract, retain, develop and motivate a high performance workforce. The remuneration structure of the Executive Directors comprises of Salary,

Perquisites and Allowances as decided from time to time subject to all the requisite approvals. The Non-executive Directors of the Company are paid sitting fees for attending the meetings of the Board of Directors, Audit Committee and Remuneration Committee.

The sitting fees for the Board Meeting is ₹ 5000/- and for attending a Committee Meetings is ₹ 2,500/-

**Details of Remuneration/Sitting Fees paid to the Directors for the Financial Year ended March 31, 2012 is as under:**

(Amount in ₹ )

Name of the Directors	Sitting Fees Paid for		Salary & Perks
	Board Meetings	Committee Meetings	
Shri Ramesh J. Aggarwal	—	—	—
Shri Satish J. Aggarwal	—	—	26,40,000
Shri Vijay J. Aggarwal	—	—	26,40,000
Shri R.D. Suvarna	20,000	10,000	—
Shri S.K. Jain	25,000	12,500	—
Shri T.B. Subramaniam	20,000	10,000	—
Shri Sanjeev A. Aggarwal	—	—	24,00,000
Shri Ashok J. Aggarwal	25,000	—	—
Shri Sunil Goyal	10,000	5,000	—
Shri Kunal R. Aggarwal	—	—	—
Shri S.S. Gupta *	—	—	—
Smt. Monika Seth*	—	—	—
Shri Swaminathan Sundararajan Mittur**	—	—	—

\* Upto June 17, 2011.

\*\* Since February 14, 2012.

**Shares held by Non-Executive Director**

Name of the Non-Executive Director	Equity Shares held (No.)
Shri Ramesh J. Aggarwal	182749
Shri R.D. Suvarna	5000
Shri S.K. Jain	2500
Shri T.B. Subramaniam	2500
Shri Ashok J. Aggarwal	184079
Shri Sunil Goyal	—
Shri Kunal R. Aggarwal	92914
Shri Swaminathan Sundararajan Mittur**	—
Smt. Monika Seth*	—
Shri S.S. Gupta*	—

\* Upto June 17, 2011.

\*\* Since February 14, 2012.

**(iii) Shareholders'/Investors' Grievance Committee:**

**Composition:**

The Shareholders'/Investors' Grievance Committee currently comprises of the following Members:

1. Shri S. K. Jain\* - Chairman
2. Shri T.B. Subramaniam - Member
3. Shri Vijay J. Aggarwal - Member
4. Shri Ashok J. Aggarwal - Member

**Note:**

Shareholders'/Investors' Grievance Committee was reconstituted on induction of Shri S. K. Jain as a Member and Chairman of the Committee w.e.f June 17, 2011 in place of Shri S. S. Gupta.

Shri Ravi O. Sharma acts as the Compliance Officer.

**Scope of the Shareholders'/Investors' Grievance Committee:**

The said Committee inter-alia deals with various matters relating to redressal of Shareholders and Investors complaints like transfer/transmission of shares, non-receipt of balance sheet, non-receipt of dividends, etc. and also recommends measures to improve the performance of investor services.

**Meetings and Attendance:**

During the year ended March 31 2012, the Committee met Five times on May 30, 2011, June 17, 2011, August 12, 2011, November 12, 2011 and February 14, 2012 to take on record and ratify the Transfer of Shares.

The Attendance record of Members is given in the table hereunder:

Name of the Shareholders/ Investor Grievance Committee members	No. of Meetings attended out of the 5 Meetings held
Shri Vijay J. Aggarwal	5
Shri T.B. Subramaniam	4
Shri Ashok J. Aggarwal	5
Shri S.K.Jain*	3
Shri S.S. Gupta**	—

\* w.e.f. June 17, 2011

\*\* Upto June 17, 2011

The Committee expresses satisfaction with the Company's performance in dealing with investors' grievances and its share transfer system.

As per the revised Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated the powers of share transfers and related matters to Shri Ashok Aggarwal and Shri Vijay J. Aggarwal, Members of the committee who attend to share transfer formalities at least once in a fortnight.

Pursuant to Clause 5A (g) of the Listing Agreement entered into between the Company and the Stock Exchanges, there are no undelivered / unclaimed shares lying with the Company.

**Details of Shareholders' complaints received, solved and pending during the Financial Year ended March 31, 2012:**

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended March 31, 2012 was 1; there were no pending / unattended complaints as on March 31, 2012.

Nature of Complaint	Pending as on 01-04-2011	Received during the year	Received during the year	Pending as on 31-03-2012
Stock Exchanges - Non Receipt of Annual Report	Nil	1	1	Nil
Securities Exchange Board of India	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil

**(iv) Performance Review Committee:**

**Composition:**

The Company has also set up a Performance Review Committee for periodic review of operations and formulation of short-term/long-term business strategy. The said Committee comprises of the following members:

- |                             |   |   |
|-----------------------------|---|---|
| a. Shri Satish J. Aggarwal  | - | Chairman (Executive Director)               |
| b. Shri Sanjeev A. Aggarwal | - | Member (Executive Director)                 |
| c. Shri Sunil Goyal         | - | Member (Non-Executive Independent Director) |
| d. Shri T.B. Subramaniam    | - | Member (Non-Executive Independent Director) |

**Scope of the Performance Review Committee:**

The said Committee inter-alia, deals with various matters relating to performance of the Company like operations, future expansion plans, etc.



**Meetings and Attendance:**

During the year ended March 31 2012, no meetings of the said Committee were held.

**(D) Annual General Meetings:**

Details of last three Annual General Meetings are given hereunder:

Year	Date	Venue	Time
2011	24/09/2011	Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai - 400 059.	11.30 A.M.
2010	27/09/2010	Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai - 400 059.	11.30 A.M.
2009	21/09/2009	Hotel Suba Galaxy, N.S. Phadke Road, Off Western Express Highway, Near Andheri East-West Flyover, Andheri (East), Mumbai - 400 069.	11.00 A.M.

**Special Resolution:**

- 1 At the Annual General Meeting which was held on 24<sup>th</sup> September 2011, No Special Resolution was passed.**
- 2 At the Annual General Meeting which was held on 27<sup>th</sup> September, 2010, Special Resolutions were passed for:**
  - i. Re - appointment of Shri Satish J. Aggarwal as the Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> October, 2010.
  - ii. Re - appointment of Shri Sanjeev A. Aggarwal as the Joint Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> October, 2010.
  - iii. Appointment of Shri Vijay J. Aggarwal as the Vice Chairman - 1 and Whole Time Director of the Company for a period of three years with effect from 1<sup>st</sup> January, 2010.
  - iv. Issue and allotment of 26,00,000 (Twenty Six Lacs) Optionally Fully Convertible Warrants on preferential basis in accordance with the Companies Act, 1956 read with SEBI (Issue of capital and Disclosure requirements) Regulations, 2009.
  - v. Issue and allotment of Securities to the Employees and the Directors of the Company, excluding promoter - Directors under the "Employee Stock Option Plan - 2010 in accordance with the Companies Act, 1956 read with SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.
- 3. At the Annual General Meeting which was held on 21<sup>st</sup> September 2009, Special Resolutions was passed for:**
  - i. Increase in number of Directors from 12 to 15 pursuant to the provisions of Section 259 of the Companies Act, 1956, subject to the approval of the Central Government.
  - ii. Alteration of the Articles of Association of the Company pursuant to the provisions of Section 31 of the Companies Act, 1956.

**Postal Ballot:**

During the financial year 2011-2012, Special Resolutions by way of Postal Ballot was passed on 11<sup>th</sup> October, 2011 for seeking approval of members for:

Alteration in Main Object Clause (Clause III) of Memorandum of Association of the Company for following item:

- a) Deletion of existing sub Clause No. 98 of Clause III (C) (other Object Clause).
- b) Shifting of existing sub Clause No. 1 from Clause III (A) (Main Object Clause) to Clause III © (Other Object Clause) as sub clause No. 98.
- c) Insertion of new sub- clause No. 1 in Clause III (A) (Main Object Clause).
- d) Transportation of existing sub clause No. 99 in clause III (C) (other Object Clause) and sub Clause No. 2 of Clause III (A) (Main Object Clause).

The Postal Ballot notice was dispatched to the shareholders on 12<sup>th</sup> August 2011. Shri Himanshu S. Kamdar, Partner of M/s. Rathi & Associates, Company Secretaries, Mumbai, was appointed as the Scrutinizer for receiving and scrutinizing the Ballot forms received from the Members and for conducting the Postal Ballot process in a fair and transparent manner. Based on the Scrutinizer's Report dated 11<sup>th</sup> October, 2011, Shri Satish J. Aggarwal announced the result of the Postal Ballot on declaring the resolutions to have been passed by requisite majority.

No resolution is proposed to be passed at the ensuing Annual General Meeting by way of Postal Ballot.

**(E) Disclosures:**

**(i) Related Party Transactions:**

There are no transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large.

**(ii) Compliances by the Company:**

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

**(iii) Whistle Blower Policy and Access of personnel to the Audit Committee:**

The Company has not established the non-mandatory requirement of Whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No employees of the Company have been denied access to the Audit Committee.

**(iv) Compliance with the Mandatory requirements and Implementation of the Nonmandatory requirements:**

The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the listing agreement except the constitution of Remuneration Committee.

**(F) Means of Communication:**

**(i)** The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. Generally, the same are published in Business Standard (English) and Mumbai Lakshdweep (Marathi language). As the results of the Company are published in the newspapers, half-yearly reports are not sent to each shareholder. The quarterly results as well as the proceedings of the Annual General Meeting are submitted with the Bombay Stock Exchange Limited immediately after the conclusion of the respective meeting.

**(ii)** No presentations were made to the institutional investors or to analysts during the year under review.

**(iii)** The Management Discussion and Analysis Report forms a part of this Annual Report.



**(iv) Code of Conduct declaration:**

In accordance with the terms of Clause 49 I(D)(II) of the Listing Agreement entered into by the Company with the Stock Exchanges, all the Board Members and the Senior management of the Company has affirmed to the Code and a declaration to that extent has been signed by Shri Satish J. Aggarwal, Managing Director of the Company.

**(G) Certificate on Corporate Governance:**

As required by Clause 49 of the Listing Agreement, a certificate issued by Mr. Jayesh Shah, Partner of M/s Rathi & Associates, Company Secretaries, Mumbai regarding compliance of conditions of Corporate Governance is given as an annexure to this Report.

**(H) CEO & CFO Certification:**

As required by Clause 49 of the Listing Agreement, the CEO i.e. the Managing Director and CFO's certification is provided as an annexure to this Report.

**(I) General Shareholders' Information:**

(i)	Date, time and venue of Annual General Meeting of Shareholders	Saturday 29 <sup>th</sup> September 2012 at Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400 059
(ii)	Financial (tentative and subject to change)	Calendar Financial reporting for quarter ended June 30, 2012 : By August 14, 2012 September 30, 2012 : By November 14, 2012 December 31, 2012 : By February 14, 2013 March 31, 2013 : By May 30, 2013 AGM for year ended : By September 30, 2013. March 31, 2013
(iii)	Dates of Book Closures	27 <sup>th</sup> September 2012 to 29 <sup>th</sup> September 2012
(iv)	Dividend Payment	By 28 <sup>th</sup> October 2012
(v)	Registered Office	Tex Centre, 'K' Wing, 3rd Floor, 26 'A' Chandivali Road, Near HDFC Bank, Off. Saki Vihar Road, Andheri (East), Mumbai - 400 072. Tel. No.: 022 - 2847 8505, 2847 8549 / 50 / 52. Fax No.: 022 - 2847 8508. Email: <a href="mailto:customercare@kisangroup.com">customercare@kisangroup.com</a> Website: <a href="http://www.kisangroup.com">www.kisangroup.com</a>
(vi)	Listing on Stock Exchange & fees for 2012-13	The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and the Madhya Pradesh Stock Exchange Limited.  Annual Listing Fees as prescribed has been paid for the Financial year 2012-2013.
	ISIN	INE017C01012
(vii)	Stock Exchange Code (BSE)	530145

(viii) Disclosures regarding appointment / re-appointment of Directors

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Shri T.B. Subramaniam, Shri S. K Jain and Ashok J Aggarwal shall retire by rotation at the forthcoming Annual General Meeting.

The Board has recommended to the shareholders, the re-appointments of Shri T.B. Subramaniam Shri S. K Jain and Ashok J Aggarwal as Directors. The detailed resume of the aforesaid three Directors is provided in the notice of the Annual General Meeting.

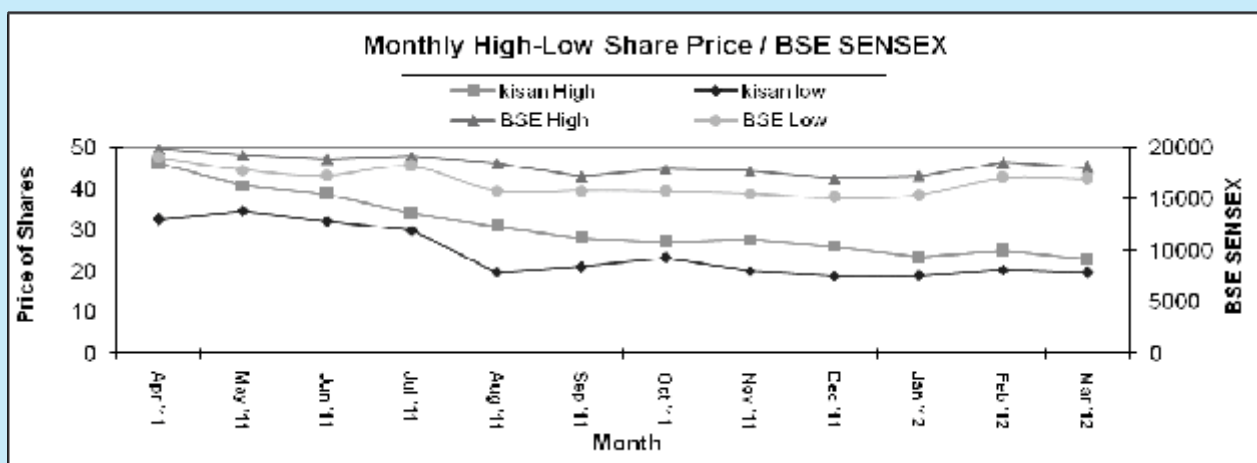
Pursuant to Section 257 of the Companies Act, 1956, Notices have been received from the Shareholders of the Company, proposing candidature of Additional Directors, Shri. Swaminathan Sunderajan Mittur for his appointment as Director in the forthcoming Annual General Meeting. The Detailed resume of Additional Directors to be appointed as Director is provided in the notice of the Annual General Meeting.

(ix) Stock Market price data:

Monthly high and low at the Bombay Stock Exchange Limited for financial year ended March 31, 2012:

Month	Kisan Mouldings Limited		BSE	
	High (₹)	Low (₹)	Sensex (High)	Sensex (Low)
April 2011	46.15	32.45	19811.14	18976.19
May 2011	40.70	34.55	19253.87	17786.13
June 2011	38.60	32.50	18873.39	17314.38
July 2011	34.00	29.80	19131.70	18131.86
August 2011	30.70	19.65	18440.07	15765.53
September 2011	28.00	21.05	17211.80	15801.01
October 2011	26.95	23.15	17908.13	15745.43
November 2011	27.60	20.05	17702.26	15478.69
December 2011	26.00	18.80	17003.71	15135.86
January 2012	23.35	18.90	17258.97	15358.02
February 2012	24.90	20.25	18523.78	17061.55
March 2012	22.75	19.60	18040.69	16920.61

(x) Performance in comparison to BSE Sensex:



**(xi) Registrar and Share Transfer Agents:  
For both Physical and Demat (Common Registry)**

**Sharex Dynamic (India) Private Limited**

Unit - 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road,  
Andheri (East), Mumbai - 400 072

Tel.No.: 022 - 2851 5606, 2851 5644.

Fax No.: 022 - 2851 2885.

Email: sharexindia@gmail.com

**(xii) Share Transfer System:**

Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Shareholders'/Investors' Grievance Committee meets as often as required. As per the revised Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated the powers of share transfers and related matters to Shri Ashok Aggarwal and Shri Vijay J. Aggarwal, members of the Shareholders'/Investors' Grievance Committee who shall attend to share transfer formalities as per the requirement.

The total number of shares transferred in physical form during the year 2011-2012 were 5700 Equity shares.

**(xiii) Distribution of Shareholding as on March 31, 2012:**

No. of Equity Shares Held	Shareholders		Shares	
	Number of Shareholders	% of Shareholders	Total Share	% of Total Capital
1 – 100	4421	58.69	344581	2.53
101 – 200	1098	14.58	202570	1.49
201 – 500	1024	13.59	385851	2.83
501 – 1000	463	6.15	372819	2.73
1001 – 5000	371	4.92	846780	6.21
5001 – 10000	52	0.69	381527	2.80
10001 – 100000	75	1.00	2849120	20.89
100001 & ABOVE	29	0.38	8254932	60.53
<b>TOTAL</b>	<b>7533</b>	<b>100.00</b>	<b>13638180</b>	<b>100.00</b>

(xiv) Categories of S hareholding as on March 31, 2012:

Category	Category of shareholder	Number of shareholders	Total number of shares	Total shareholding as a percentage of total of shares
<b>PROMOTER &amp; PROMOTER GROUP</b>				
Indian	Individuals/ HUF	80	5537471	40.61
	Bodies Corporate	9	1502222	11.01
	<b>TOTAL (Promoter &amp; Promoter Group)</b>	<b>89</b>	<b>7039693</b>	<b>51.62</b>
<b>PUBLIC</b>				
Institutions	Mutual Funds/ UTI	-	-	-
	Financial Institutions/ Banks	-	-	-
	Foreign Institutional Investors	-	-	-
	<b>Total for Institutions</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-Institutions	Bodies Corporate	163	3364683	24.67
	Individuals	7253	3191302	23.40
	Clearing Member	8	16858	0.12
	NRIs	20	25644	0.19
	<b>Total for Non-Institutions</b>	<b>7444</b>	<b>6598487</b>	<b>48.38</b>
	<b>TOTAL (Public)</b>	<b>7444</b>	<b>6598487</b>	<b>48.38</b>
	<b>GRAND TOTAL</b>	<b>7533</b>	<b>13638180</b>	<b>100.00</b>

(xv) Dematerialization of shares and liquidity

The Equity Shares of the Company are in DEMAT segment and are available for trading through the depository systems of both NSDL and CDSL under ISIN No. INE017C01012. As on March 31, 2012, 1,29,98,677 Equity Shares of the Company, forming 95.31% of the Share Capital of the Company, stand dematerialized.

In accordance with the Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital of the Company is carried out on a quarterly basis by M/s. Rathi & Associates, Company Secretaries, Mumbai to reconcile the total admitted capital with NSDL and CDSL and the total issued and Listed Capital.

(xvi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

There are no GDR's / ADR's / Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the Equity Share Capital of the Company.



**(xvii) Address for Correspondence:**

**Sharex Dynamic (India) Private Limited**

Unit - 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road,  
Andheri (East), Mumbai - 400 072

Tel.No.: 022 - 2851 5606, 2851 5644.

Fax No.: 022 - 2851 2885.

Email: sharexindia@gmail.com

**(xvii) Plant Location**

- ➔ 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 67 to 74 and 80 to 89, Birkoni Industrial Area, Mahasammund, Chattisgarh 493 445.
- ➔ Plot No. 127/2, 128/1, Village Bir Plassi, Tehsil Nalgarh, Solan, Himachal - 174101.
- ➔ 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.
- ➔ Plot No.H41 to H-53, RIICO Industrial Area, Phulera, Dist. Jaipur, Rajasthan.

**(xviii) Name and Address of Compliance Officer:**

Shri Ravi O. Sharma

Kisan Mouldings Limited

Tex centre, 'K' Wing, 3rd Floor, 26 'A' Chandivli Road, Near HDFC bank,  
Off Saki Vihar Road, Andheri (East), Mumbai - 400 072.

Tel. No.: 022 - 2847 8505, 2847 8549/50/52.

Fax No.: 022 - 2847 8508.

Email: investor.relations@kisangroup.com

Website: www.kisangroup.com

**IMPORTANT COMMUNICATION TO THE SHAREHOLDERS**

Ministry of Corporate Affairs has taken a '**Green initiative in Corporate Governance**' by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this Green initiative of the Government in full measures, the Company hereby requests its members who have not registered their e-mail addresses so far, to register their e-mail addresses with the depository through their concerned depository participants in respect of electronic holdings and with the Company or its Registrar in respect of physical holding.

**PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**Kisan Mouldings Limited.**

We have examined the compliance of conditions of Corporate Governance by Kisan Mouldings Limited ("the Company") for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**M/s. Rathi & Associates**  
**Company Secretaries**

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

**Jayesh Shah**  
**Partner**  
**FCS No.: 5637**





**KISAN MOULDINGS LIMITED**



**CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT**

We, Satish J. Aggarwal, Managing Director and Suresh K. Purohit, Chief Financial Officer do hereby, certify to the Board that:

1. We have reviewed the financial statements for the year ended on March 31, 2012 and that to the best of our knowledge and belief:
  - a.) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b.) These statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the years which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We indicate to the auditors and to the Audit Committee during the year : -
  - i) there have not been any significant changes in internal control over financial reporting;
  - ii) there have not been any significant changes in accounting policies; and
  - iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having

Place: Mumbai  
Date: May 30,2012

**Satish J. Aggarwal**  
Managing Director

**Suresh K. Purohit**  
Chief Financial Officer

### **DECLARATION PURSUANT TO CLAUSE 49 I (D) (ii) OF THE LISTING AGREEMENT**

In accordance with Clause 49 I (D) (ii) of the Listing Agreement with the Stock Exchanges, We hereby confirm that the Board Members and Senior Management of the Company have affirmed their compliance with the Code of Conduct as applicable to them for the financial year ended March 31, 2012.

Place: Mumbai  
Date: May 30, 2012

**Satish J. Aggarwal**  
Managing Director

**Suresh K. Purohit**  
Chief Financial Officer

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### **CODE OF CONDUCT DECLARATION**

This is certify that in line with requirements of Clause 49 of the Listing Agreement all the Directors of the Board and Senior Management Personnel have solemnly affirmed that to the best of their knowledge and belief, have complied with the provisions of the 'Code of Conduct for the Directors and Senior Management Personnel' during the financial year 2011-12

Place: Mumbai  
Date: May 30, 2012

**Satish J. Aggarwal**  
Managing Director



KISAN MOULDINGS LIMITED

THE MARK OF EXCELLENCE



**MITTAL & ASSOCIATES**  
**Chartered Accountants**

105, M.K. Bhavan,  
300, Shahid Bhagat Singh Road,  
Fort, MUMBAI -400 001.  
Phone: 30287900/1 Fax: 30287904

**AUDITORS' REPORT**

**TO THE MEMBERS OF KISAN MOULDINGS LIMITED**

1. We have audited the attached Balance Sheet of **KISAN MOULDINGS LIMITED**, as at **31st March, 2012**, the Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of the Section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examinations of those books;
  - © The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - (e) On the basis of written representations received from the director of Company, as on March 31, 2012 and taken on record by the Board of Directors of the Company, none of directors is disqualified as on March 31, 2012 from being appointed as the director in term of clause (g) of sub-section (1) of section 274(1) of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and read together with **note no. 34, 35 and 36** annexed herewith, gives a true and fair view in conformity with the accounting principals generally accepted in India:

## **23<sup>rd</sup> Annual Report 2011-2012**

- (i) In the case of the balance sheet, of the state of affairs of the company as at 31st March, 2012;
- (ii) In the case of the Statement of Profit and Loss Account, of the 'Profit' for the year ended on that date; and.
- (iii) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

### **For Mittal & Associates**

Chartered Accountants

Registration No. 106456W

### **M. Mehta**

**Partner**

Membership No. : 42990

Place : Mumbai

Date : May 30, 2012



**KISAN MOULDINGS LIMITED**

**MITTAL & ASSOCIATES**  
**Chartered Accountants**



105, M.K. Bhavan,  
300, Shahid Bhagat Singh Road,  
Fort, MUMBAI -400 001.  
Phone: 30287900/1 Fax: 30287904

## **ANNEXURE TO AUDITORS' REPORT**

### **TO THE MEMBERS OF KISAN MOULDINGS LIMITED**

Referred to in paragraph 3 of the Auditor's Report of even date to the members of **Kisan Mouldings Limited** on the financial statements for the year ended **31st March 2012**,

- i. In respect of its fixed assets
  - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets are physically verified by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to above verification no material discrepancies between the book records and the physical inventory have been noticed.
  - c) No substantial part of fixed assets has been disposed off by the Company during the year.
  
- ii. In respect of its inventory
  - a) As explained to us, inventories were physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
  
- iii. In Respect of Loans, secured or unsecured, granted or taken by the company to/ from companies, firms or other parties covered in the register maintained under section 301 of Companies Act, 1956.
  - a) The Company has granted loan to parties covered in the register maintained under Section 301 of the Companies Act, 1956 and the maximum outstanding balance is ₹ 0.14/- Lacs paid off during the year.
  - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
  - c) The company is regular in receipt of principal amount and interest wherever stipulated.
  - d) There is no overdue more than ₹ 100000/- from such parties.
  - e) The Company has taken unsecured loans from Fourteen parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - f) The maximum amount involved during the year and year end balance of such unsecured loan is ₹ 6051.237/-Lacs and ₹ 191.032/- Lacs respectively.
  - g) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interests of the company.
  - h) The Company is regular in payment of principal amount and interest wherever stipulated.
  
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal

control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weaknesses has been noticed in the internal controls.

- v. (a) According to information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into register in pursuance of section 301, of the Act, have been so entered.
- (b) In our opinion and according to the information and explanations given to us the transactions of purchases of goods and materials and sale of goods, material and services, made in pursuance of contracts and arrangements entered in register maintained under Section 301 of the Companies Act 1956, and exceeding the value of rupees five lakhs in respect of any party during the year have been made on credit basis, at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed there under. Hence clause (vi) of the order is not applicable.
- vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii. We have been informed that the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- ix. a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities, there are no arrears of outstanding statutory dues as mentioned above as at 31st March, 2012 for the period of more than six months from the date they became payable.
- b) As at March 31, 2012, according to the records of the Company and the information and explanations given to us, the following are the particulars of disputed dues on account of Sales Tax, matters that have not been deposited on account of a dispute:

Name of the Statute	Nature of the dues	Disputed in ₹	amount relates	Forum where Dispute is Pending
* MPCT Act	Sales Tax	₹17,15,634	1997-98	Dy. Commissioner of Sales Tax
* CST Act	Central Sales Tax	₹2,52,771	1997-98	Dy. Commissioner of Sales Tax
MPCT Act	Sales Tax	₹4,45,281	1998-99	Dy. Commissioner of Sales Tax (Revision)
** CST Act	Central Sales Tax	₹4,84,309	1998-99	Dy. Commissioner of Sales Tax (Revision)



Name of the Statute	Nature of the dues	Amount Disputed in ₹	Year to which amount relates	Forum where Dispute is Pending
MPCT Act	Sales Tax	₹ 12,07,275	2002-03	Dy. Commissioner of Sales Tax (Revision)
CST Act	Central Sales Tax	₹ 83,711	2002-03	Dy. Commissioner of Sales Tax (Revision)
***KVAT	Karnataka Value Added Tax	₹ 3,30,224	2005-06	Karnataka Appellate Tribunal, Bangalore
RST	Rajasthan Sales Tax	₹ 6,46,883	2006-07	Additional Commissioner Anti Evasion Commercial Tax, Zone-I, Jaipur
RST	Rajasthan Sales Tax	₹ 1,64,659	2007-08	Additional Commissioner Anti Evasion Commercial Tax, Zone-I, Jaipur
****KVAT	Karnataka Value Added Tax	₹ 6,99,951	2006-07	Karnataka Appellate Tribunal, Bangalore
*****KVAT	Karnataka Value Added Tax	₹ 8,83,447	2007-08	Karnataka Appellate Tribunal, Bangalore
Income Tax	Income Tax Mumbai	₹ 12,47,263	A.Y. 2006-07	Commissioner of Income Tax (APPEALS)-16 Mumbai
*****Income Tax	Income Tax Mumbai	₹ 21,39,934	A.Y. 2008-09	Joint Commissioner of Income Tax (OSD) 8(2), Mumbai
	FBT	₹ 3,27,338		A.O. Mumbai

\*Against these- the Company has paid ₹ 1,37,400 as part payment.

\*\* Against these- the company has paid ₹ 1, 54,000 as part payment.

\*\*\* Against these - the company has paid ₹ 3, 30,224 as differential VAT payment.

\*\*\*\* Against these - the company has paid ₹ 6, 99,951 as differential VAT payment

\*\*\*\*\* Against these - the company has paid ₹ 8, 83,447 as differential VAT payment.

\*\*\*\*\* Against these -the company has paid ₹ 5,50,000 for income tax demand and ₹ 2,20,000 for FBT demand

- x. The company does not have accumulated losses as at 31st March 2012 and has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of its dues to a financial institution, bank or debenture holders, during the year.
- xii. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.
- xiii. The provisions of any special statute as specified under clause (xiii) of the order are not applicable to the company.
- xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions, the term and conditions, whereof, in our opinion, are prejudicial to the interest of the company.
- xvi. The company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
- xvii. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment.
- xviii. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix. The company has not issued any debentures.
- xx. The Company has not raised any money by public issue during the year.
- xxi. According to the information and explanations given to us, during the year, no fraud on or by the company has been noticed or reported.

**For Mittal & Associates**

Chartered Accountants  
Registration No. 106456W

**M. Mehta**

Partner  
Membership No. : 42990

Place: Mumbai  
Date: May 30, 2012.





## Balance Sheet As At March 31, 2012

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	1,363.82	1,363.82
(b) Reserves and Surplus	3	5,452.95	5,107.86
		<b>6,816.77</b>	<b>6,471.68</b>
<b>(2) Share Application Money pending allotment</b>			
		-	-
<b>(3) Non-current Liabilities</b>			
(a) Long-term Borrowings	4	6,141.64	6,410.27
(b) Deferred Tax Liabilities (Net)	5	750.45	649.32
		<b>6,892.09</b>	<b>7,059.59</b>
<b>(4) Current Liabilities</b>			
(a) Short-term Borrowings	6	8,698.05	9,179.88
(b) Trade Payables	7	6,306.13	4,639.34
(c) Other Current Liabilities	8	2,596.86	1,681.92
(d) Short-term Provisions	9	672.49	727.06
		<b>18,273.53</b>	<b>16,228.20</b>
<b>TOTAL</b>		<b>31,982.39</b>	<b>29,759.47</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		10,789.40	8,537.91
(ii) Intangible Assets		14.63	17.43
(iii) Capital work-in-progress		1,368.81	539.46
		12,172.84	9,094.80
(b) Non-current Investments	11	44.92	43.58
(c) Long-term Loans and Advances	12	584.53	595.59
(d) Other Non-current Assets	13	158.93	158.93
		<b>12,961.22</b>	<b>9,892.90</b>
<b>(2) Current Assets</b>			
(a) Inventories	14	10,490.93	8,646.73
(b) Trade Receivables	15	7,047.08	7,277.31
(c) Cash and cash equivalents	16	748.15	3,328.22
(d) Short-term Loans and Advances	17	64.80	267.27
(e) Other Current Assets	18	670.21	347.04
		<b>19,021.17</b>	<b>19,866.57</b>
<b>TOTAL</b>		<b>31,982.39</b>	<b>29,759.47</b>

See accompanying notes to the financial statements, as under

Significant Accounting Policies 1  
Notes on Financial Statement 2 to 36

In terms of our report of even date  
**For Mittal & Associates**  
Chartered Accountants  
Firm Registration No. 106456W

**M. Mehta**  
Partner

Membership No. 42990  
Place : Mumbai  
Date : 30th May, 2012

For and on behalf of the Board of Directors of  
**Kisan Mouldings Limited**

Vijay J. Aggarwal Vice Chairman - 1 and  
Whole time director  
Ashok J. Aggarwal Vice Chairman - 2  
Sanjeev A. Aggarwal Joint Managing Director  
Satish J. Aggarwal Managing Director  
Suresh Purohit Chief Financial Officer

**Statement of Profit and Loss For the Year Ended March 31, 2012**

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
<b>A CONTINUING OPERATION</b>			
I. Revenue from operations	19	29,007.92	24,073.17
II. Other income	20	147.50	102.68
III. <b>Total Revenue (I + II)</b>		<b>29,155.42</b>	<b>24,175.85</b>
IV. <b>Expenses:</b>			
Cost of materials consumed	21	18,499.69	15,656.25
Purchases of stock-in-trade	22	1,387.67	2,551.81
Changes in inventories of finished goods, work-in-progress & Stock in Trade	23	(1,740.96)	(3,002.66)
Employee's benefits expenses	24	1,390.76	1,067.90
Finance costs	25	1,799.39	1,489.20
Depreciation and amortization expenses	10	906.86	735.58
Other expenses	26	6,285.24	4,958.67
<b>Total Expenses</b>		<b>28,528.65</b>	<b>23,456.75</b>
V. <b>Profit before prior period item, exceptional and extraordinary items and tax (III-IV)</b>		<b>626.77</b>	<b>719.10</b>
VI. Prior period item	27	(22.06)	242.46
VII. Exceptional items	28	(96.06)	(7.81)
VIII. <b>Profit before extraordinary items and tax (V-VI-VII)</b>		<b>744.89</b>	<b>484.45</b>
IX. Extraordinary items		-	-
X. <b>Profit before tax (VIII - IX)</b>		<b>744.89</b>	<b>484.45</b>
XI. <b>Tax Expenses:</b>			
(1) Current Tax		131.26	17.78
(2) Deferred Tax	5	101.13	131.52
(3) Mat Credit Entitlement		31.07	-
(4) Short/(Excess) Provision related to earlier years		41.58	-
XII. <b>Profit / (Loss) for the period from continuing operations (X-XI)</b>		<b>439.85</b>	<b>335.15</b>
<b>B DISCONTINUING OPERATION</b>	29		
XIII. Profit/(Loss) from discontinuing operations before Tax Expenses		0.67	55.57
XIV. Tax expenses of discontinuing operations		0.22	18.46
XV. <b>Profit/(Loss) from discontinuing operations (after tax) (XIII-XIV)</b>		<b>0.45</b>	<b>37.11</b>
XVI. <b>Profit/(Loss) for the year (XII+XV)</b>		<b>440.30</b>	<b>372.26</b>
XVII. Earnings per equity share:	30		
(1) Basic & Diluted for the continuing operation		3.23	2.46
(2) Basic & Diluted for the Total operations		3.23	2.73

See accompanying notes to the financial statements, as under

Significant Accounting Policies 1  
Notes on Financial Statement 2 to 36

In terms of our report of even date  
**For Mittal & Associates**  
Chartered Accountants  
Firm Registration No. 106456W

**M. Mehta**  
Partner  
Membership No. 42990  
Place : Mumbai  
Date : 30th May, 2012

For and on behalf of the Board of Directors of  
**Kisan Mouldings Limited**

Vijay J. Aggarwal Vice Chairman - 1 and  
Whole time director  
Ashok J. Aggarwal Vice Chairman - 2  
Sanjeev A. Aggarwal Joint Managing Director  
Satish J. Aggarwal Managing Director  
Suresh Purohit Chief Financial Officer



**Cash Flow Statement For the Year Ended March 31, 2012**

(₹ in Lacs)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before taxation	745.56	540.02
Adjustments for:-		
Depreciation on fixed assets	906.86	735.58
Interest expenses	1,799.39	1,489.20
<b>Deduct:</b>		
Profit on sale of fixed assets	96.07	7.81
Dividend Income	2.42	0.83
Interest income	117.94	32.29
<b>Operating Profit before Working Capital changes</b>	<b>3,235.39</b>	<b>2,723.88</b>
Adjustments for :		
(Increase) / Decrease in inventories	(1,844.20)	(3,447.77)
(Increase) / Decrease in trade & other receivables	120.60	(1,348.27)
Increase/(Decrease) in Liabilities & Provisions	1,875.48	5,181.14
<b>Cash Generated from Operations</b>	<b>3,387.26</b>	<b>3,108.98</b>
Income tax Paid	(173.06)	(36.24)
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>3,214.20</b>	<b>3,072.74</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of investments	(1.34)	0.01
Purchase of fixed assets	(4,228.94)	(2,510.16)
Sale Proceeds from fixed assets	340.11	-
Interest received	117.94	32.29
Dividend received	2.42	0.83
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>(3,769.81)</b>	<b>(2,477.03)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of shares including premium	-	1,482.00
Proceeds from borrowings	862.14	2,955.04
Repayment of borrowings	(927.65)	(713.37)
Interest paid	(1,799.39)	(1,489.20)
Dividend paid	(159.56)	(154.46)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>(2,024.46)</b>	<b>2,080.00</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(2,580.07)</b>	<b>2,675.71</b>
<b>Opening Cash and Cash Equivalents</b>		
Cash in hand	28.67	36.14
Bank balances	3,299.55	616.37
	<b>3,328.22</b>	<b>652.51</b>
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	25.59	28.67
Bank balances	722.55	3,299.55
	<b>748.15</b>	<b>3,328.22</b>

In terms of our report of even date  
**For Mittal & Associates**  
 Chartered Accountants  
 Firm Registration No. 106456W

**M. Mehta**  
 Partner  
 Membership No. 42990  
 Place : Mumbai  
 Date : 30th May, 2012

For and on behalf of the Board of Directors of  
**Kisan Mouldings Limited**

Vijay J. Aggarwal	Vice Chairman - 1 and Whole time director
Ashok J. Aggarwal	Vice Chairman - 2
Sanjeev A. Aggarwal	Joint Managing Director
Satish J. Aggarwal	Managing Director
Suresh Purohit	Chief Financial Officer

**Notes forming part of the Balance Sheet as at and Profit & Loss Account for the year ended 31st March, 2012.**

**1. Significant Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention in accordance with generally accepted accounting principles (GAAP) in India, the relevant provisions of The Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India unless otherwise stated elsewhere.

During the year ended March 31, 2012 the revised schedule notified under companies act 1956 has become applicable to the company for preparation and presentation of the financial statement. The adoption of revised schedule –VI does not impact recognition and measurement principles followed for preparation of the financial statement. The company has also reclassified the previous year figure in accordance with requirement applicable in the current year.

**1.2 Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods

**1.3 Fixed Assets**

**1.3.1 Own Fixed Assets**

Fixed assets are stated at cost of acquisition which includes all related expenses (net of Cenvat and sales- tax set-off) less accumulated depreciation. All related expenses other than carrying cost, include finance cost till commencement of commercial production and exchange loss on the external commercial borrowing.

The company has adopted the companies (Accounting Standards) amendment rules,2009 relating to accounting Standard -11 notified by the government of India as on 31st March, 2009 ( as amend by notification on 29<sup>th</sup> Dec,2011) which allowed foreign exchange on long term monetary item to be capitalized to the extent they relate to acquisition of the depreciable assets.

**1.3.2 Lease Fixed Assets**

Operating Lease:- Rental are expensed with reference to lease term and other consideration

**1.3.3 Intangible Fixed Assets**

Intangible Assets (Patent, Trademark) are stated at cost of acquisition net of cenvat and sales tax less accumulated depreciation.

**1.4 Depreciation**

Depreciation on fixed assets except Leasehold Lands have been provided on straight line method at the rates and manner as provided in Schedule XIV of the Companies Act, 1956. Amount paid on Leasehold land has been spread over to remaining period of lease and has been written off proportionately.



## 1.5 Impairment of Assets

In pursuance to Accounting Standard -28 issued by the Institute of Chartered Accountants of India, the company has assessed no impairment of assets as on 31st March, 2012, hence no provision has been made in the books of accounts.

## 1.6 Investments

Long term investments are stated at cost and short term investments are stated at lower of cost or market value. Provision for diminution in the value of Long Term Investment is made only if such a decline is other than temporary.

## 1.7 Retirement Benefits

Annual Contribution towards the gratuity liability is funded with the Life Insurance Corporation of India in accordance with their gratuity scheme. The liability in respect of Leave encashment payable to employees at the year end is provided for.

## 1.8 Inventories

Items of inventories are valued on the basis given below:

- **Raw materials**

- I. At factory landed cost: FIFO basis
- ii. In transit: Cost

- **Finished goods**

- I. Lying at factory: Lower of cost on FIFO basis or net realizable value.
- ii. Lying at branches: Lower of landed cost at respective branch on FIFO basis or net realizable value.

- **Traded goods:** At cost on FIFO basis.

- **Work-in-Process:** At cost of such goods arrived at on FIFO basis.

- **Scraps (reusable):** At cost of such goods arrived at on FIFO basis.

- **Scrap (Other):** Lower of cost or net realizable value.

- **Stores, Spares and Packing Materials:** At cost of such goods arrived at on FIFO basis.

Cost of Inventories comprises of the cost of purchases, cost of conversion and other cost including manufacturing overhead incurred in bringing them to their respective present location and condition.

**1.9 Revenue Recognition**

Revenue from operation includes Sales of goods adjusted for the Excise duty, value added tax, central Sales Tax and discounts if any as per approved by the management.

Dividend income is recognised when right to receive is established. Interest income is recognised on time proportion basis into accounts the amount outstanding and rate applicable

**1.10 Purchase of raw materials, stores, spares and packing materials**

Purchase is net of discount, VAT, excise duty, but includes custom duty, clearing & forwarding charges, commission on purchases, cartage inwards, interest on LC & transit insurance.

**1.11 Excise Duty**

Excise duty represents finished goods dispatched through Personal Ledger Account (PLA) and out of Cenvat on capital goods Account (RG23C-Part II) but net of unutilized amount in raw material cenvat Account (RG23A-Part II).

**1.12 Provision for Current tax and Deferred tax**

Income taxes comprise of current tax, deferred tax charges and short excess provision of the last year. Provision for current tax is made after taking into consideration benefit admissible under the provision of income tax act, 1961. Deferred tax resulting from the "timing difference" between taxable and accounting income is accounted for using the tax rate and laws that are enacted or substantively enacted as on the balance sheet date

**1.13 Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of past event and is probable that on out flow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**1.14 Foreign currency Transaction**

The Company has elected to account for exchange differences arising on reporting of long term foreign currency monetary item in accordance with Companies ( accounting Standards) amendment Rules ,2009 pertaining to accounting standards 11 (AS-11) notified by government of India on 31st march 2009 (as amended on 29<sup>th</sup> December,2011). Accordingly, the effect of exchange difference on foreign currency loan of the company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets.

## Notes on Financial Statement for the Year Ended 31st March, 2012

### 2 - SHARE CAPITAL

#### Details of authorised, issued and subscribed share capital

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Authorised Capital</b> 1,50,00,000 Equity Shares of ₹ 10/- each	1,500.00	1,500.00
<b>Issued Capital</b> 1,36,38,180 Equity Shares of ₹ 10/- each	1,363.82	1,363.82
<b>Subscribed and Paid up</b> 1,36,38,180 Equity Shares of ₹ 10/- each	1,363.82	1,363.82
<b>Total</b>	<b>1,363.82</b>	<b>1,363.82</b>

#### 2.1 - Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012		As at March 31, 2011	
	Equity Shares		Equity Shares	
	Number	₹ in Lacs	Number	₹ in Lacs
Shares outstanding at the beginning of the year	13,638,180	1,363.82	13,638,180	1,363.82
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	13,638,180	1,363.82	13,638,180	1,363.82

**2.2** - The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares & pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**2.3** - During the year ended March 31, 2012, the company has recognised ₹ 0.60 (P.Y. ₹1.00) per share dividend as proposed for distribution to equity shareholders which is subject to approval of shareholders in Annual General Meeting.

#### 2.4 - Information of shareholders having holding more than 5% of Shares in the company

Name of Shareholder	Relationship	As at March 31, 2012		As at March 31, 2011	
		No of Equity shares held	Percentage	No of Equity shares held	Percentage
Polsons Investment and Finance Private Limited	Associates	822,000	6.03%	822,000	6.03%
Anmol Insurance Consultants Private Limited	Others	750,000	5.50%	750,000	5.50%

#### 2.5 - Bonus shares /Buy back /shares for consideration other than cash issued during past year

There is no issue of the bonus shares /buy back of own shares/ shares issued for consideration without payment being received in cash during previous five financial year from the reporting date

**Notes on Financial Statement for the Year Ended 31st March, 2012**

**3 - RESERVES AND SURPLUS**

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a. Securities Premium Account</b>		
Opening Balance	2,578.83	2,578.83
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	<b>2,578.83</b>	<b>2,578.83</b>
<b>b. State Government Subsidy</b>		
Opening Balance	26.08	26.08
Add:- Addition during the Year	-	-
Less:-Written Back in Current Year	-	-
Closing Balance	<b>26.08</b>	<b>26.08</b>
<b>c. Investment Allowance Reserve</b>		
Opening Balance	7.84	7.84
Add:- Addition during the Year	-	-
Less:-Written Back in Current Year	-	-
Closing Balance	<b>7.84</b>	<b>7.84</b>
<b>d. General Reserve</b>		
Opening Balance	366.46	341.46
Add:- Addition during the Year	-	25.00
Less:-Written Back in Current Year	-	-
Closing Balance	<b>366.46</b>	<b>366.46</b>
<b>e. Surplus</b>		
Opening balance	2,128.66	1,940.97
Add:- Net Profit For the Current Year	440.30	372.26
Less :-Proposed Dividends	81.93	136.39
Tax on Proposed Dividends	13.29	23.18
Transfer to Reserves	-	25.00
Closing Balance	<b>2,473.75</b>	<b>2,128.66</b>
<b>Total</b>	<b>5,452.95</b>	<b>5,107.86</b>





**Notes on Financial Statement for the Year Ended 31st March, 2012**

**4 - LONG-TERM BORROWING**

(₹ in Lacs)

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
<b>Term Loans From Banks</b>				
(i) Rupee loan (Note 4.2.1)	2,245.25	3,090.42	845.17	843.15
(ii) Foreign Currency Loan (Note 4.2.2)	3,510.03	3,291.96	223.83	49.33
(iii) Housing loan for office Premises (Note 4.2.3)	349.21	-	19.08	-
(iv) Vehicle Loans (Note 4.3)				
(1) From Banks	31.31	20.44	37.40	31.05
(2) From NBFC's	5.84	7.45	5.29	4.11
<b>Total</b>	<b>6,141.64</b>	<b>6,410.27</b>	<b>1,130.77</b>	<b>927.65</b>

**4.1 - Additional Information to Secured Long Term Borrowings**

The long Term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under other current liabilities as per disclosure requirements of the Revised Schedule VI.

**4.2 - Details Relating to Term Loans**

**4.2.1 - Rupee Loans**

**A) Secured by way of :-**

1. First charge on parri-passu basis on entire fixed assets ( excluding all fixed assets financed from using ICICI Bank ECB Term Loan and Housing Loan) both present and future of the company.
2. Second charge on parri-passu basis on current assets of the company.
3. Personal Guarantee of Mr. Ramesh J. Aggarwal - Chairman, Mr. Vijay J. Aggarwal - Vice Chairman & Whole Time Director, Mr. Ashok J. Aggarwal - Vice Chairman, Mr. Satish J. Aggarwal - Managing Director and Mr. Sanjeev A. Aggarwal - Joint Managing Director.
4. Pledge of 7.15 Lakh equity shares held by the following persons of the company on parri-passu basis with Working capital lenders.

Name of the holders	Relation	No. of Shares
Polsons Investment and Finance Pvt Ltd	Associates	10,800
Ramesh J. Aggarwal	Director	16,000
Kunal R Aggarwal	Director	54,000
Satish J. Aggarwal	Managing Director	140,000
Sanjeev A aggarwal	Joint Managing Director	254,200
Ashok J. Aggarwal	Director	180,000
Amit V Aggarwal	Director's Relative	60,000
<b>Total</b>		<b>715,000</b>

**B) Details of Terms of repayment**

Bank Name	Sanction Amount in Lacs	Interest Rate	No. of Installments	Term	First Instalment Date
The SVC Bank Limited	₹ 250.00	PLR - 3.75%	72	Monthly	30 April 2008
The SVC Bank Limited	₹ 275.00	PLR - 3.75%	60	Monthly	30 April 2010
The SVC Bank Limited	₹ 700.00	PLR - 3.75%	70	Monthly	30 April 2010
The SVC Bank Limited	₹ 11.00	PLR - 3.75%	36	Monthly	31 March 2011
Punjab National Bank	₹ 500.00	BR+3.75%+TP 0.5%	72	Monthly	31 October 2007
Punjab National Bank	₹ 1500.00	BR+3.75%+TP 0.5%	72	Monthly	30 November 2010
Union Bank of India	₹ 350.00	BPLR	66	Monthly	31 October 2008
Union Bank of India	₹ 1200.00	BPLR	72	Monthly	30 April 2010
IDBI Bank Limited	₹ 375.00	BPLR	44	Monthly	01 May 2008

## Notes on Financial Statement for the Year Ended 31st March, 2012

### 4.2.2 - Foreign Currency Term Loan- ICICI Bank

#### A) Secured by way of;

1. First charges on all fixed assets financed from using ICICI Bank ECB Term Loan.
2. Second charge on parri-passu basis on current assets of the company.
3. Personal Guarantee of Mr. Vijay J. Aggarwal - Vice Chairman & Whole Time Director, Mr. Ashok J. Aggarwal - Vice Chairman, Mr. Satish J. Aggarwal - Managing Director and Mr. Sanjeev A. Aggarwal - Joint Managing Director.

#### B) Details of Terms of repayment

Bank Name	Sanction Amount in Lacs	Interest Rate	No. of Instalments	Term	First Instalment Date
ICICI Bank	\$ 74.50	BR + 4%	12	Half Yearly	30 November 2011

#### C) Treatment of Foreign Exchange Fluctuation

The Company has capitalised ₹ 441.90 lacs of foreign currency loss on external commercial borrowing in term of amendments made in Companies (accounting standards rules) 2009 as per revised accounting standard-11 "Accounting for foreign exchange".

### 4.2.3 - Housing loan for office Premises -ICICI Bank

#### A) Secured by way of hypothecation of specific office premises relates to ICICI Housing Loan

#### B) Details of Terms of repayment

Bank Name	Sanction Amount in Lacs	Interest Rate	No. of Instalments	Term	First Instalment Date
ICICI Bank	₹ 380.00	1 Base + 3.25%	128	Monthly	10 August 2011

### 4.3 - Details of Terms of repayment of Vehicle Loans

#### A) Secured by way of hypothecation of specific vehicle relates to vehicle loan

#### B) Details of Terms of repayment

Bank Name	Sanction Amount in Lacs	Interest Rate	No. of Instalments	Term
<b>From Bank</b>				
Axis Bank	₹ 7.10	11.00%	36	Monthly
HDFC Bank	₹ 4.98	9.50%	36	Monthly
HDFC Bank	₹ 4.80	9.00%	36	Monthly
HDFC Bank	₹ 19.70	8.00%	36	Monthly
HDFC Bank	₹ 2.75	12.00%	36	Monthly
HDFC Bank	₹ 6.50	11.00%	36	Monthly
HDFC Bank	₹ 4.20	10.50%	60	Monthly
ICICI Bank	₹ 38.00	11.45%	36	Monthly
ICICI Bank	₹ 16.50	10.00%	36	Monthly
ICICI Bank	₹ 3.30	12.12%	36	Monthly
ICICI Bank	₹ 16.50	10.00%	36	Monthly
Indusind Bank Ltd	₹ 8.10	13.00%	30	Monthly
Punjab National Bank	₹ 8.00	12.50%	36	Monthly
Punjab National Bank	₹ 5.65	11.75%	60	Monthly
HDFC Bank	₹ 4.53	14.00%	36	Monthly
Punjab National Bank	₹ 2.00	14.00%	35	Monthly
The SVC Bank Limited	₹ 8.00	14.00%	35	Monthly
Punjab National Bank	₹ 6.00	14.00%	35	Monthly

<b>From NBFC's</b>				
Kotak Mahindra Prime Ltd	₹ 4.13	13.50%	60	Monthly
Kotak Mahindra Prime Ltd	₹ 3.96	12.50%	36	Monthly
Kotak Mahindra Prime Ltd	₹ 4.63	10.50%	36	Monthly
Kotak Mahindra Prime Ltd	₹ 4.30	11.00%	36	Monthly



## Notes on Financial Statement for the Year Ended 31st March, 2012

## 5 - DEFERRED TAX LIABILITY

(₹ in Lacs)

Deferred Tax Liabilities for the period ended March,2012 has been provided on the estimated tax computation of the year

The major components of deferred tax liability recognized in the financial statement is as follows:-

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Tax effect of items constituting deferred tax liabilities</b>		
Net block as per Income Tax act, 1961	7,917.44	6,010.17
Net block as per Companies act, 1956	10,230.44	7,964.09
Excess of net block of fixed assets as per books of accounts over net block for tax	2,313.00	1,953.92
<b>Deferred tax liabilities shown on Liability side - Balance Sheet -(I) (3) (b)</b>	750.45	649.32
<b>Less:- Opening Balance</b>	649.32	517.80
<b>Deferred Tax Charge / (Credit) for the year - P&amp;L (A) (XI) (2)</b>	<b>101.13</b>	<b>131.52</b>

## 6 - SHORT-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(a) Loans &amp; Advance (Unsecured)</b>		
Inter Corporate Loan		
From Relatives (Note 6.1)	180.70	147.26
From other than relative	0.45	0.45
From Related Parties (Note 6.2)	10.33	10.38
<b>(b) Other Loans &amp; Advances ( Secured )</b>		
Working Capital Loans (Note 6.3)	8,506.57	9,021.79
<b>Total</b>	<b>8,698.05</b>	<b>9,179.88</b>

## 6.1 - Loans &amp; Advances from Inter Corporate - From the Relatives

(₹ in Lacs)

Particular	Relation	As at 31.03.2012	As at 31.03.2011
Classic Creation Impex Pvt Ltd	Associates	2.73	2.73
Jaisal Finance Pvt Ltd	Associates	64.39	0.40
Pariwar Housing Finance Co. Ltd.	Associates	75.10	0.10
Polsons Investment & Finance Pvt Ltd	Associates	12.02	0.56
Softline Securities Pvt Ltd	Associates	1.36	138.36
Spread Fintrade Ltd	Associates	-	5.01
Zitura Investment & Finance Pvt Ltd	Associates	25.10	0.10
<b>Total</b>		<b>180.70</b>	<b>147.26</b>

## 6.2 - Loans &amp; Advances from the Related parties

(₹ in Lacs)

Particular	Relation	As at 31.03.2012	As at 31.03.2011
Ramesh J. Aggarwal	Director	3.03	3.03
Santosh Aggarwal	Director's Relative	7.30	7.30
Nitin S. Gupta	Director's Relative	-	0.05
<b>Total</b>		<b>10.33</b>	<b>10.38</b>

Notes on Financial Statement for the Year Ended 31st March, 2012

6.3 - Working Capital Loans

A. Secured By way of

1. First Pari passu charge by way of hypothecation of the company's entire current assets of the company.
2. Second charge on parri-passu basis over entire fixed assets of the company.
3. Personal Guarantee of Mr. Ramesh J. Aggarwal - Chairman, Mr. Vijay J. Aggarwal - Vice Chairman & Whole Time Director, Mr. Ashok J. Aggarwal - Vice Chairman, Mr. Satish J. Aggarwal - Managing Director and Mr. Sanjeev A. Aggarwal - Joint Managing Director.
4. Pledge of 7.15 Lakh equity shares held by the following persons of the company on parri-passu basis with term loan lenders

Name of the holders	Relation	No. of Shares
Polsons Investment and Finance Pvt Ltd	Associates	10,800
Ramesh J. Aggarwal	Director	16,000
Kunal R Aggarwal	Director	54,000
Satish J. Aggarwal	Managing Director	140,000
Sanjeev A aggarwal	Joint Managing Director	254,200
Ashok J. Aggarwal	Director	180,000
Amit V Aggarwal	Director's relative	60,000
<b>Total</b>		<b>715,000</b>

B. Details of outstanding Working Capital Loan (₹ in Lacs)

Bank Name	As at 31.03.2012	As at 31.03.2011
The SVC Bank Limited	2,874.45	2,212.97
Punjab National Bank	2,504.44	3,093.05
IDBI Bank LTD	595.44	578.01
Barclays Bank plc.	400.00	1,000.00
Union Bank of India	2,132.24	2,137.76
<b>Total</b>	<b>8,506.57</b>	<b>9,021.79</b>

7 - TRADE PAYABLES (₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Other than acceptance</b>		
Trade Payables for Raw Materials	4,193.53	3,957.74
for Traded Goods ( Note 7.1)	2,112.60	681.60
<b>Total</b>	<b>6,306.13</b>	<b>4,639.34</b>

7.1 - Trade Payable for the Traded goods are completely related to Kisan Irrigations Limited which is our associate concern as per AS - 18 "Related party Disclosure".

8 - OTHER CURRENT LIABILITIES (₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Current Maturities of Long term borrowings (Note 4)	1,130.77	927.65
Interest accrued but not due on borrowings	21.20	4.23
Unpaid dividends	10.34	10.80
<b>Other Payable</b>		
Statutory Liabilities	340.95	181.16
Deposit from Dealer	59.57	76.34
Payable for Expenses	624.93	378.35
for Capital Goods	409.10	103.39
<b>Total</b>	<b>2,596.86</b>	<b>1,681.92</b>

9 - SHORT-TERM PROVISIONS (₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Provision for employee's benefits:</b>		
Salary and Reimbursement	178.35	247.27
<b>Other provisions :</b>		
Provision for Excise Duty	207.04	190.00
Proposed dividend	81.93	136.39
Tax on proposed dividend	13.29	23.18
Provision for Expenses	191.88	130.22
<b>Total</b>	<b>672.49</b>	<b>727.06</b>

### Notes on Financial Statement for the Year Ended 31st March, 2012

#### 10 - FIXED ASSETS

(₹ in Lacs)

PARTICULARS	Gross Block			Accumulated Depreciation				Net Block	
	As at April 1, 2011	Additions during the Year	Deduction during the Year	As at March 31, 2012	As at April 1, 2011	Depreciation charge for the year	Adjustments On disposals	As at March 31, 2012	As at March 31, 2011
<b>Tangible Assets</b>									
Land - Owned	340.81	-	19.55	321.26	-	-	-	321.26	340.81
Land - Leasehold	256.30	-	16.99	239.31	5.86	0.45	5.01	238.00	250.44
Building - (Office)	173.17	-	24.59	148.58	16.88	2.73	2.80	131.78	156.29
Building - (Factory)	3,333.15	936.74	167.76	4,102.12	307.75	107.30	55.18	3,742.25	3,025.40
Plant & Machinery	4,521.83	1,525.91	24.35	6,023.38	1,990.32	401.33	1.45	2,390.20	2,531.51
Furniture & Fixtures	558.51	220.15	56.89	721.76	120.06	28.07	31.33	116.81	438.45
Vehicles	291.91	79.97	3.40	368.48	89.63	27.44	2.17	114.91	202.28
Office Equipment	469.02	23.23	1.41	490.83	65.70	44.85	1.07	109.49	403.31
Computers	93.28	11.51	-	104.79	57.56	11.10	-	68.66	35.72
Dies & Moulds	2,701.19	598.64	64.35	3,235.48	1,612.65	275.18	36.80	1,851.04	1,088.55
Transformer & others	92.83	3.46	1.31	94.98	27.68	5.58	0.76	32.50	65.15
<b>Total</b>	<b>12,831.99</b>	<b>3,399.59</b>	<b>380.60</b>	<b>15,850.98</b>	<b>4,294.09</b>	<b>904.06</b>	<b>136.56</b>	<b>5,061.58</b>	<b>8,537.91</b>
<b>Previous Year</b>	<b>10,318.79</b>	<b>2,539.44</b>	<b>26.23</b>	<b>12,831.99</b>	<b>3,568.72</b>	<b>732.91</b>	<b>7.54</b>	<b>4,294.09</b>	<b>6,750.07</b>
<b>Intangible Assets</b>									
Patents and Licence	28.00	-	-	28.00	10.57	2.80	-	13.36	17.43
<b>Total</b>	<b>28.00</b>	<b>-</b>	<b>-</b>	<b>28.00</b>	<b>10.57</b>	<b>2.80</b>	<b>-</b>	<b>13.36</b>	<b>17.43</b>
<b>Previous Year</b>	<b>21.84</b>	<b>6.15</b>	<b>-</b>	<b>28.00</b>	<b>7.89</b>	<b>2.67</b>	<b>-</b>	<b>10.57</b>	<b>13.95</b>
<b>Capital Work in Progress</b>									
Total	539.46	829.34	-	1,368.81	-	-	-	1,368.81	539.46
<b>Total</b>	<b>539.46</b>	<b>829.34</b>	<b>-</b>	<b>1,368.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,368.81</b>	<b>539.46</b>
<b>Previous Year</b>	<b>548.39</b>	<b>2,086.32</b>	<b>2,095.25</b>	<b>539.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548.39</b>

**Note:-** The Company has capitalised ₹ 441.90 lacs foreign currency fluctuation loss on external commercial borrowing in term of amendments made in companies (accounting standards rules) 2009 as per revised accounting standard-11 "Accounting for foreign exchange" under the head capital work in progress.

Notes on Financial Statement for the Year Ended 31st March, 2012

11 -NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>A. Trade Investments (at Cost)</b>		
<b>Unquoted, Fully Paid Up</b>		
(a) In Government or Trust securities	0.12	0.12
<b>B. Non Trade Investments (at Cost) (Note 11.2)</b>		
<b>(I) Quoted, Fully Paid Up</b>		
(a) In Equity shares	7.90	7.90
(b) In Mutual Funds	18.84	17.50
<b>(II) Unquoted, Fully Paid Up</b>		
(a) In Equity Shares	18.06	18.06
<b>Total</b>	<b>44.92</b>	<b>43.58</b>

11.1 - Aggregate market value of Quoted Investments

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Aggregate market value of Quoted Investments		
(a) In Equity Shares	40.42	41.66
(b) In Mutual Funds	21.29	19.67

11.2 - Details of Non Trade Investments

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Non Trade Investments (at Cost)</b>		
<b>(a) In Equity Shares - Quoted, fully paid Up</b>		
840 (P.Y. 840) Shares of Oil and Natural Gas Corporation of ₹5/-each	1.00	1.00
2,000 (P.Y. 2,000) shares of Hindustan Motors Limited of ₹5/-each	0.73	0.73
770 (P.Y. 154) shares of HDFC Bank Limited of ₹2/-each (P.Y. ₹10/- each)	0.76	0.76
317 (P.Y. 317) shares of ICICI Bank Ltd. of ₹10/-each	0.68	0.68
1,000 (P.Y. 1,000) shares of Steel Authority of India Limited of ₹10/-each	0.68	0.68
18,000 (P.Y. 18,000) shares of Hindustan Zinc Ltd. of ₹2/-each	3.00	3.00
2,000 (P.Y. 2,000) shares of Indusind Bank Limited of ₹10/-each	1.05	1.05
<b>Total</b>	<b>7.90</b>	<b>7.90</b>
<b>(b) In Mutual Funds -Quoted, fully paid Up</b>		
56,530 (P.Y. 54,463) units of PNB Principal Long Term Equity Fund Series II (G)	5.38	5.00
1,14,974 (P.Y. 1,10,770) units of PNB Principal Monthly Income Plan	13.46	12.50
<b>Total</b>	<b>18.84</b>	<b>17.50</b>
<b>(c) In Equity Shares - unquoted, fully paid Up</b>		
<b>In Equity Shares of Associates Company</b>		
10 (P.Y. 10) shares of Kisan Irrigations Limited of ₹100/-each	0.01	0.01
<b>In Equity Shares of Other Company</b>		
1,24,480 (P.Y. 1,24,480) shares of Jankalyan Sahakari bank Ltd of ₹10/-each (out of above 74,480 share are held in the name of Director Of the company)	12.45	12.45
1,000 (P.Y. 1,000) shares of Malad Sahakari Bank Limited of ₹10/-each	0.10	0.10
22,000 (P.Y. 22,000) shares of The Shamrao Vithal Co-op Bank Ltd. of ₹25/-each	5.50	5.50
<b>Total</b>	<b>18.06</b>	<b>18.06</b>



**Notes on Financial Statement for the Year Ended 31st March, 2012**

**12 - LONG-TERM LOANS AND ADVANCES**

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Unsecured, considered good</b>		
<b>a. Security Deposits</b>		
1. Security Deposits with the related party (Note 12.1)	50.00	50.00
2. Security Deposits other than related parties	297.17	287.91
<b>b. Mat Credit Entitlement ( For the F.Y 2010-2011)</b>	31.07	-
<b>c. Advance Income Tax ( Net off Provision for Taxation )</b>	140.79	186.58
(Till C.Y11-12 Prov. For Taxation ₹ 703.04 Lacs and Advnace tax & TDS Receivable ₹ 843.83 Lacs)		
(Till P.Y10-11 Prov. For Taxation ₹ 826.71 Lacs and Advnace tax & TDS Receivable ₹ 1013.29 Lacs)		
<b>d. Other loans and advances</b>		
Advance recoverable in cash or in kind or value to be received	37.64	31.76
Staff Loans & Advances	26.45	37.80
<b>Unsecured, considered doubtful debts</b>		
<b>Others loans &amp; Advances</b>		
Staff Loans & Advances (Note 12.2)	1.41	1.54
<b>Total</b>	<b>584.53</b>	<b>595.59</b>

**12.1 - Security Deposits with the related party**

(₹ in Lacs)

Particular	Relation	As at 31.03.2012	As at 31.03.2011
Reliance Industrial product	Associates	50.00	50.00

**12.2 -** Staff Loans & Advances includes doubtful debts amount ₹ 1.41 (P.Y. ₹ 1.54) for which the recovery procedure are under process and hence no provision has been made in the books of accounts.

**13 - OTHER NON CURRENT ASSETS**

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Other</b>		
Insurance claim	84.23	84.23
Balance with Indirect tax Authorities		
Excise & Service Tax	3.39	3.39
Value Added Tax & CST	71.31	71.31
<b>Total</b>	<b>158.93</b>	<b>158.93</b>

**Notes on Financial Statement for the Year Ended 31st March, 2012**

**14 - INVENTORIES**

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
1. Raw Materials and components	1,014.31	1,202.70
Goods-in transit	-	139.03
2. Work-in-progress	3,009.62	1,391.93
3. Finished goods	4,426.01	3,966.97
Goods-in transit	119.48	
4. Stock-in-trade	1,098.51	1,594.60
Goods-in transit	40.85	
5. Stores and spares	782.15	351.50
<b>Total</b>	<b>10,490.93</b>	<b>8,646.73</b>

**15 - TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Unsecured, considered good</b> (Note 15.1)		
Trade receivables outstanding for a period less than six months from the due date	6,280.86	6,453.38
Trade receivables outstanding for a period exceeding six months from due date	627.39	666.08
		-
<b>Doubtful</b> (Note 15.2)		
Trade receivables outstanding for a period exceeding six months from the due date	138.83	157.85
<b>Total</b>	<b>7,047.08</b>	<b>7,277.31</b>

**15.1** - The classification of debtors between ><6 month period have been taken according to the company's standards policy of the due date i.e. 45 days from the date of Invoice.

**15.2** - Sundry Debtors exceeding Six month includes ₹138.83 ( P.Y ₹ 157.85 ) as doubtful. The Efforts for recovery are under process and hence no Provision has been made in the books of accounts.

**16 - CASH AND CASH EQUIVALENT**

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Cash on hand	25.59	28.67
b. Cheques, drafts on hand	1.98	-
c. Balances with banks		
In Current Accounts	428.87	2,817.87
Unpaid Dividend Account	10.34	10.16
d. Other balance with bank		
Fixed deposits with Banks (Note 16.1)		
Less than 12 months maturity	256.37	315.45
More than 12 months maturity	25.00	156.07
<b>Total</b>	<b>748.15</b>	<b>3,328.22</b>





**Notes on Financial Statement for the Year Ended 31st March, 2012**

**16.1** - Fixed Deposits Classification between > < 12 month period have been taken from the reporting date (i.e. 01.04.2012 ) to its maturities mentioned on the Fixed deposits receipts

**16.2** - Some bank accounts are still in the name of erstwhile M/ Gaurav Agro - Plast Ltd merged with the company w.e.f. 01-04-2005.

**17 - SHORT-TERM LOANS AND ADVANCES**

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Unsecured, considered good</b>		
a. Loans & advances from related parties (Note -17.1)	3.47	3.61
<b>a. Others Loans &amp; Advances</b>		
Advance recoverable in cash or in kind or value to be received	-	223.47
Staff Loans & Advances	61.33	40.19
<b>Total</b>	<b>64.80</b>	<b>267.27</b>

**17.1 - Loans & Advances from related parties**

(₹ in Lacs)

Particular	Relation	As at 31.03.2012	As at 31.03.2011
Leeward Investment & Finance Limited	Associates	-	0.14
Kisan Irrigations Limited	Associates	3.47	3.47
<b>Total</b>		<b>3.47</b>	<b>3.61</b>

**18 - OTHER CURRENT ASSETS**

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Recoverable on sales of fixed Assets from related parties (Note 18.1)	122.11	-
Prepaid Expenses	12.20	10.47
Interest accrued but not due on the Fixed deposits	1.24	0.91
<b>Balance with Indirect tax Authorities</b>		
Excise & Service Tax	393.71	267.78
Value Added Tax & CST	140.95	67.88
<b>Total</b>	<b>670.21</b>	<b>347.04</b>

**18.1 - Recoverable on sales of fixed Assets from related parties**

(₹ in Lacs)

Particular	Relation	As at 31.03.2012	As at 31.03.2011
Kisan Irrigations Ltd	Associates	67.55	-

**19 - REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
<b>Sale of Products (Gross)</b>		
a) Manufactured Goods (Note 19.1)	30,214.45	24,829.57
Less: Excise Duty	2,846.05	2,381.13
	27,368.40	22,448.44
b) Traded Goods	1,625.45	1,614.48
	<b>1,625.45</b>	<b>1,614.48</b>
<b>Other Operating Revenues</b>		
Scrap Sales	14.07	10.25
<b>Total</b>	<b>29,007.92</b>	<b>24,073.17</b>

**Notes on Financial Statement for the Year Ended 31st March, 2012**

19.1 - The Sales of Manufactured goods includes the related party sales made to our associate Concern Kisan Irrigations Limited ₹ 74.44 Lacs (P.Y. ₹ 105.33 Lacs) net of taxes.

**20 - OTHER INCOME**

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Interest Income	117.94	32.29
Dividend Income	2.42	0.83
Liability no longer required written back	27.14	69.56
<b>Total</b>	<b>147.50</b>	<b>102.68</b>

**21 - COST OF MATERIAL CONSUMED**

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Opening Stock of Raw Materials	1,204.14	1,121.17
Add:- Purchases of Raw Materials		
Resin & others	13,953.62	12,170.96
Adhesive Chemicals & others	3,193.55	2,560.41
Carriage Inwards & Interest Expenses	1,162.69	1,007.85
Less:- Closing Stock of Raw Materials	1,014.31	1,204.13
<b>Total</b>	<b>18,499.69</b>	<b>15,656.26</b>

**22 - PURCHASE OF STOCK-IN-TRADE**

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Purchases (Note-22.1)	1,387.67	2,551.81
<b>Total</b>	<b>1,387.67</b>	<b>2,551.81</b>

22.1 - The Purchase includes related party purchase made from our associates concern Kisan Irrigations Limited amounting of ₹1511.98 Lacs (P.Y. ₹1942.81 Lacs)



**Notes on Financial Statement for the Year Ended 31st March, 2012**

**23 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK IN TRADE**

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Opening Inventory		
Finished Goods	3,744.51	1,438.35
Stock-In-Trade	1,594.60	1,599.40
Work-In-Progress	1,614.39	913.09
	6,953.50	3,950.84
Closing Inventory		
Finished Goods	5,684.85	3,744.51
Stock-In-Trade	1,180.20	1,594.60
Work-In-Progress	1,829.41	1,614.39
	8,694.46	6,953.50
<b>Total</b>	<b>(1,740.96)</b>	<b>(3,002.66)</b>

**24 - EMPLOYEE BENEFIT EXPENSES**

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Salaries, Bonus, Incentives etc.	1,134.42	889.62
Contributions to Provident & other fund	63.98	39.09
Gratuity fund contributions	23.40	4.73
Staff welfare expenses	92.16	58.06
Directors Remuneration (Note 24.1)	76.80	76.40
<b>Total</b>	<b>1,390.76</b>	<b>1,067.90</b>

**24.1 - Details of Directors Remuneration are as follow:-**

(₹ in Lacs)

Particular	Relation	31.03.2012	31.03.2011
Satish j. Agarwal	Managing Director	26.40	25.47
Sanjeev A. Agarwal	Joint Managing Director	24.00	25.47
Vijay Agarwal	Vice Chairman & Whole time director	26.40	25.47
<b>Total</b>		<b>76.80</b>	<b>76.40</b>

**25 - FINANCE COST**

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Interest expense		
On Term Loan	550.11	538.34
On Working Capital Facility	1,103.86	859.79
On vehicle loan	10.32	6.58
Bank Charges & Processing fess	71.65	84.49
Applicable net(gain)/loss on foreign currency transactions and translation	63.45	-
<b>Total</b>	<b>1,799.39</b>	<b>1,489.20</b>

Notes on Financial Statement for the Year Ended 31st March, 2012

26 - OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Consumption of Stores and Spare Parts	809.20	651.75
Consumption of Packing Material	546.91	457.35
Power and Fuel	1,427.57	1,078.00
Labour Cost	927.31	775.95
Rent	141.78	98.46
Repair & Maintenance		
- Plant & Machinery	25.74	73.51
- Buildings	94.76	45.52
- Others	5.56	1.33
Insurance	14.37	12.05
Rates and Taxes	92.47	49.40
Advertisement Expenses	90.39	73.70
Travelling & Conveyance Expenses	302.86	307.85
Sales Promotion Expenses	90.98	65.49
Legal and Professional	103.51	59.91
Cartage Outwards	1,340.26	951.36
Printing & Stationery	40.46	56.55
Charity & donation	4.38	3.92
Telephone & Postage	79.67	66.77
Auditor's Remuneration		
- Audit Fees	2.69	2.69
- Tax Audit Fees	0.84	0.84
Commission & Brokerage	20.89	2.16
Laboratory Expenses	13.67	10.61
Miscellaneous Expenses	4.82	6.68
Bad debts Written off	7.97	12.18
General Expenses	38.06	60.80
Security Expenses	58.12	33.84
<b>Total</b>	<b>6,285.24</b>	<b>4,958.67</b>

27 - PRIOR PERIOD ITEM

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
<b>Prior Period Income</b>	(22.06)	-
Liability no longer required written back		
<b>Prior Period Expenses - Sales Tax Liabilities</b>	-	242.46
Sales tax dues		
<b>Total</b>	<b>(22.06)</b>	<b>242.46</b>

28 - EXCEPTIONAL ITEMS

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
(Profit) / Loss on Sale of Fixed Assets	(96.06)	(7.81)
<b>Total</b>	<b>(96.06)</b>	<b>(7.81)</b>



**Notes on Financial Statement for the Year Ended 31st March, 2012**

**29 - DISCONTINUING OPERATIONS\***

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
<b>Revenue from operations</b>		
Sales of the Traded Goods	201.46	3,619.30
Less:- Sales Tax Collection	18.88	217.61
Sales of the Traded Goods -Net	182.58	3,401.69
Repair & Maintenance	0.44	-
<b>Total Revenue</b>	<b>183.02</b>	<b>3,401.69</b>
<b>Expenses:</b>		
Purchases of stock-in-trade	136.31	2,691.26
Changes in inventories of finished goods, work-in- progress & Stock in Trade		45.98
Employee's benefits expenses	15.93	278.71
Finance costs	30.00	8.480
Other expenses	0.11	321.69
<b>Total Expenses</b>	<b>182.35</b>	<b>3,346.12</b>
<b>Profit &amp; loss from discontinuing operation</b>	<b>0.67</b>	<b>55.57</b>

\* The Marketing & Distribution agreement with ESS ESS Bathroom Products Private Limited has been discontinued from 30th June,2011

**30 - EARNINGS PER EQUITY SHARES**

(₹ in Lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
<b>Continuing Operation</b>		
(i) Net profit After taxes as per statement of profit & loss Attributable to Equity shareholders	439.89	335.10
<b>Total Operations</b>		
(ii) Net profit After taxes as per statement of profit & loss Attributable to Equity shareholders	440.34	372.22
(iii) Weighted average number of equity shares used as denominator for calculating EPS	13,638,180	13,638,180
(iv) Basic & Diluted for the continuing operation	3.23	2.46
(v) Basic & Diluted for the Total operation	3.23	2.73
(vi) Face value per Share in Rupees	10	10

**31 - Earning & Expenditure In foreign currency**

**31.1 Earning in respect of the foreign Currency (Receipt basis ) on accounts of**

(₹ in Lacs)

Particular	2011-12	2010-11
Export Sales	77.55	56.64

**31.2 Expenditure in respect of the foreign Currency (Payment basis ) on accounts of**

(₹ in Lacs)

Particular	2011-12	2010-11
Import Raw Material	1,255.75	1,407.02
Import Machinery	177.91	-
Foreign Travelling	17.39	10.45
Interest Payment	69.06	-
<b>Total</b>	<b>1,520.11</b>	<b>1,417.47</b>

Notes on Financial Statement for the Year Ended 31st March, 2012

32. SEGMENT REPORTING

As Per Accounting Standard 17, Segment reporting disclosure is made into segment Revenue, Segment Result and other Information

(₹ in Lacs)

Particular	Pipes & Fittings		C.P.Fittings		Moulded Furniture		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Segment revenue</b>								
Sales From Operation	24,016.11	19,965.95	182.58	3,408.90	4,991.81	4,100.02	29,190.50	27,474.87
Other Income	147.94	102.68	-	-	-	-	147.94	102.67
Un Allocable Income	-	-	-	-	-	-	-	-
<b>Total Revenue - Income From operation</b>	<b>24,164.05</b>	<b>20,068.63</b>	<b>182.58</b>	<b>3,408.90</b>	<b>4,991.81</b>	<b>4,100.02</b>	<b>29,338.44</b>	<b>27,577.54</b>
<b>Segment Result</b>								
<b>Profit / (Loss)] before Depreciation ,Interest &amp; Tax</b>	<b>2,645.51</b>	<b>2,445.12</b>	<b>30.54</b>	<b>63.93</b>	<b>687.63</b>	<b>498.89</b>	<b>3,363.68</b>	<b>3,007.94</b>
Interest (Net)	<b>1,505.11</b>	1,343.34	<b>11.44</b>	8.49	<b>312.84</b>	145.86	1,829.39	1,497.69
Exceptional Item Income (Loss)	88.49	-	7.58	-	-	-	96.07	7.81
Prior Period Item Income (Expenses)	22.06	-	-	-	-	-	22.06	(242.46)
Depreciation	616.51	509.39	-	-	290.34	226.19	906.86	735.58
<b>Profit Before Tax</b>	<b>634.43</b>	<b>592.39</b>	<b>26.68</b>	<b>55.44</b>	<b>84.45</b>	<b>126.84</b>	<b>745.57</b>	<b>540.02</b>
Provision for Tax							204.13	36.24
Deferred Tax Liabilities/ (Assets)							101.13	131.52
<b>Profit after Tax</b>	<b>634.43</b>	<b>592.39</b>	<b>26.68</b>	<b>55.44</b>	<b>84.45</b>	<b>126.84</b>	<b>440.30</b>	<b>372.26</b>
<b>Other Information</b>								
Segment Assets	8,148.98	5,393.55	0.00	645.62	2,655.05	2,516.17	10,804.03	8,555.34
Segment Liabilities	16,845.35	15,360.67	0.00	14.72	1,428.18	852.81	18,273.53	16,228.20
Capital Assets Including CWIP	476.19	(610.55)	(0.00)	0.69	892.63	1,149.32	1,368.81	539.46

33. CONTINGENT LIABILITIES AND COMMITMENTS


(₹ in Lacs)

Sr.No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
(I)	<b>Contingent Liabilities</b>		
(a)	<b>Guarantees</b>		
(i)	Guarantees given by Banks and Financial Institutions against Export obligation to Custom Authorities	94.34	68.05
(II)	<b>Commitments</b>		
(i)	Demand from central Excise under appeal	1090.74	576.86
(ii)	Sales Tax Demand under appeal	59.57	275.14
(iii)	Income tax	29.44	89.09

34. The Financial results of the Roha & Silvassa undertaking (as merging entity & demerging from Kisan Irrigations Limited ) as approved by the shareholders in the meeting held on 27th January, 2012 is not included in above results due to matter pending before hon'ble Mumbai high Court.
35. These Financial Statement are not authenticated by a whole time company secretary as required by section 383A of the Company act, 1956.
36. Debtors and staff loan and advance are subject to confirmation and reconciliation, if any.



**LIST OF BRANCH ADDRESS**

SR.NO.	ADDRESS	
1	KISAN MOULDINGS LIMITED "TEX CENTRE" K-WING, 3 RD FLOOR, 26 A, CHANDIVALI ROAD, ANDHERI (EAST) MUMBAI-400 072	022-42009100
2	KISAN MOULDINGS LIMITED 305, 4TH RD FLOOR, N.R.HOUSE, NEAR POPULAR HOUSE, ASHARAM ROAD, AHMEDABAD-380 009	079-27544080/2616
3	KISAN MOULDINGS LIMITED 13/14, UNITY BUILDIG, 2 ND FLOOR, M -BLOCK, J.C.ROAD, BANGALORE-560 002	080-22293226
4	KISAN MOULDINGS LIMITED 301 & 310,MAN HARITAGE, 6/2 SOUTH TUKOGANJ,NEAR HIGH COURT BUILDING, INDORE-452 001	0731-2528032-3-4
5	KISAN MOULDINGS LIMITED TARASADAN, C-17, DEVENDRA NAGAR, SECTOR-5,OPP.MERLYN JAISHREE APTT., NEAR MANDI GATE, RAIPUR, CHHATISHGARH-492 014	0771-4221075
6	KISAN MOULDINGS LIMITED O-21,3 RD FLOOR, AMBAR TOWER, S.C.ROAD, JAIPUR-302 001	0141-2361895-898-899
7	KISAN MOULDINGS LIMITED DOOR NO.3-8-330/40 , RAVI- PLAZA, 3 RD FLOOR, P.G.ROAD, SECUNDERABAD-500 003	040-27810118 /119
8	KISAN MOULDINGS LIMITED C-102, SECTOR-2, GROUND FLOOR, NOIDA, UTTAR PRADESH- 201 301	0120-4225888-95
9	KISAN MOULDINGS LIMITED P-171, BLOCK-B, LAKE TOWN, OPP. LAKE TOWN NURSING HOME, KOLKATA-700 08 9	033-40068850
10	KISAN MOULDINGS LIMITED S.NO.114/2, DOOR NO.1/493 A , VILLAGE-MUNDATHICODE, TALUKA-THALAPPILLY, DIST.TRICHUR,KERALA-680 595	0-9945232901
11	KISAN MOULDINGS LIMITED M-35C, P.T.RAJAN SALAI,K.K.NAGAR, CHENNAI-600 078	0-9945232901
12	KISAN MOULDINGS LIMITED S.C.F.18, IST FLOOR, PHASE-2,S.A.S. NAGAR MOHALI - 160055	172-5090577-580







**KISAN MOULDINGS LIMITED**

Registered Office: TEX CENTRE, 'K' Wing, 3rd Floor, 26 A, Chandivli Road, Near HDFC Bank, Off. Saki Vihar Road, Andheri (East), Mumbai – 400 072

**ATTENDANCE SLIP**

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company, on Saturday, September 29, 2012, at 11.30 a.m. at Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400 059.

Name of the Member / Proxy/Representative: \_\_\_\_\_

Signature of the Member/Proxy/ Representative: \_\_\_\_\_

Folio No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Client ID.No. \_\_\_\_\_ DP.ID No. \_\_\_\_\_

**NOTE:** Member/joint Member/Proxy/Representative attending the Meeting must fill-in this Attendance Slip and hand it over at the entrance of the venue of this Meeting.

**KISAN MOULDINGS LIMITED**

Registered Office: TEX CENTRE, 'K' Wing, 3rd Floor, 26 A, Chandivli Road, Near HDFC Bank, Off. Saki Vihar Road, Andheri (East), Mumbai – 400 072

**PROXY FORM**

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/ members of **KISAN MOULDINGS LIMITED** hereby appoint Mr./Ms.

\_\_\_\_\_ of \_\_\_\_\_

or failing him/her Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_

as my/our Proxy to attend and vote for me/us and on my/ our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company to be held on Saturday, September 29, 2012 at Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400 059 at 11.30 a.m. and at any adjournment thereof.

Folio No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Client ID.No. \_\_\_\_\_ DP.ID No. \_\_\_\_\_

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

**Note:**

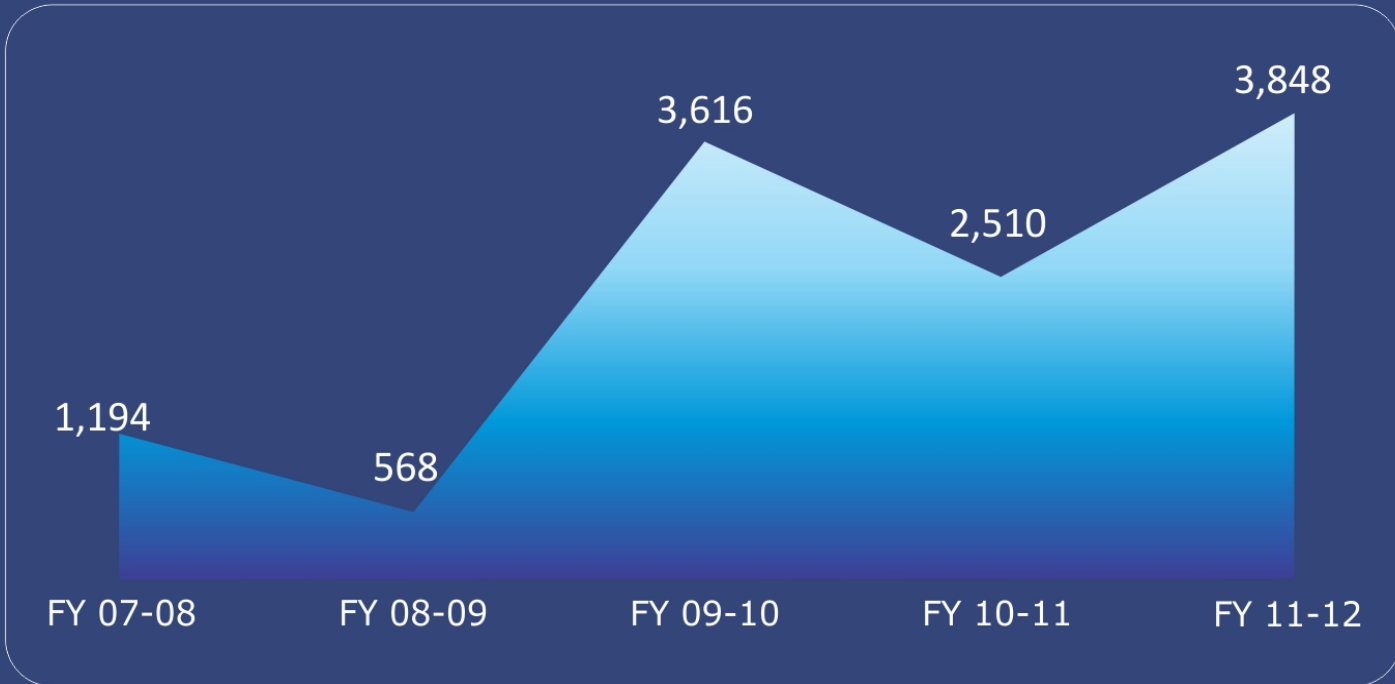
The Proxy form duly completed and signed must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the Meeting.

Affix  
Re. 1  
Revenue  
Stamp

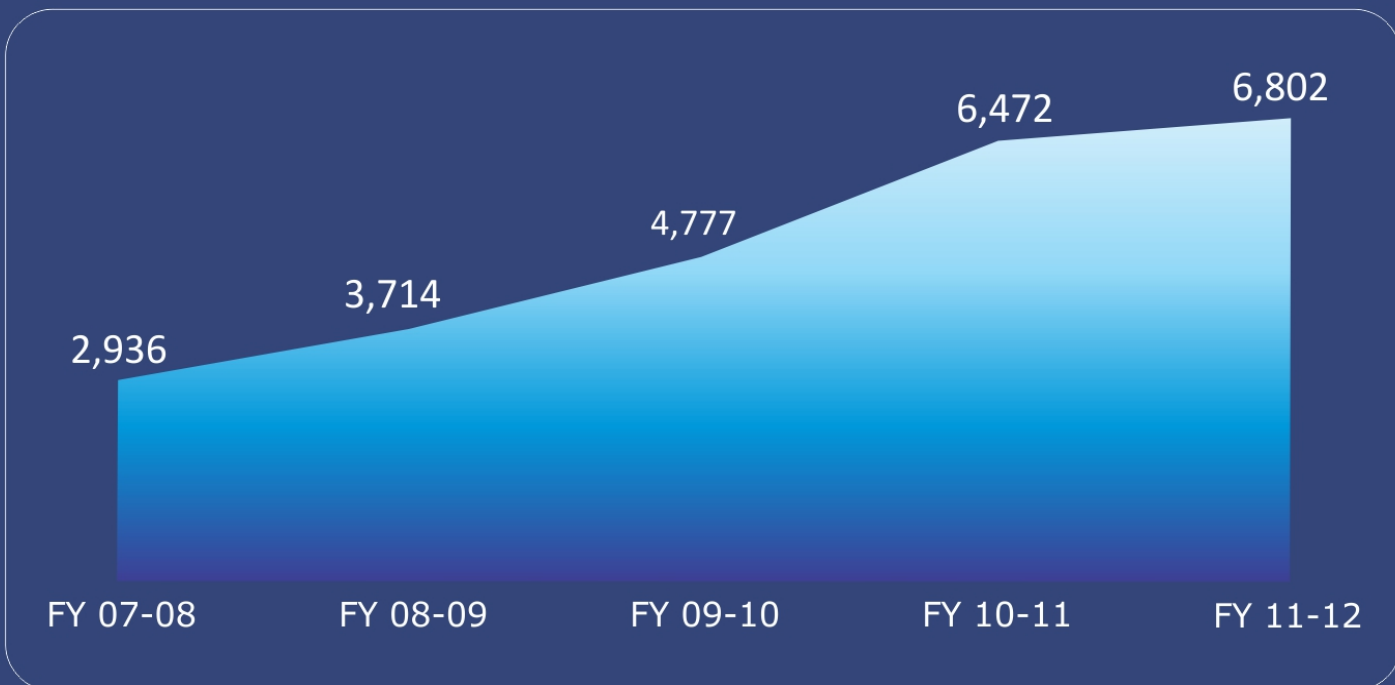
(Signature)

**23<sup>rd</sup> Annual Report 2011-2012**

### Capex (₹ in Lakhs)



### Networth (₹ in Lakhs)





**KISAN MOULDINGS LIMITED**

Tex Center, 'K' Wing, 3rd Floor, 26-A, Chandivli Road, Off Saki Vihar Road, Andheri  
(East), Mumbai - 400 072. India. Tel.: (+91-22) 4200 9100 Fax: (+91-22) 2847 8508  
E-mail: [customercare@kisangroup](mailto:customercare@kisangroup) Website: [www.kisangroup.com](http://www.kisangroup.com)