



**KUNSTSTOFFE INDUSTRIES LTD.**

**27TH ANNUAL REPORT  
2012-13**

## **KUNSTSTOFFE**

### **BOARD OF DIRECTORS**

Mr. PRAVIN V. SHETH - *Chairman*

Mr. BHADRESH H. SHAH

Mr. S. C. ASNOTKAR

Ms. SONIYA P. SHETH - *Executive Director*

Mr. BHASKAR T. IYER

### **AUDITORS**

P. M. TURAKHIA & ASSOCIATES,

Chartered Accountants, Mumbai

### **SOLICITORS**

LITTLE & CO. MUMBAI

DIVYAKANT MEHTA & ASSOCIATES, MUMBAI

### **REGISTERED OFFICE**

Kiran Building.

128, Bhaudaji Road,

Matunga (E.),

Mumbai - 400 019.

### **WORKS**

Airport Road,

Kadaiya,

Nani Daman,

Daman, (U.T.) 396 210.

### **REGISTRAR & TRANSFER AGENTS** SHAREX DYNAMIC (INDIA) PVT. LTD.

Unit - 1, Luthra Industrial Premises,

Safed Pool, Andheri Kurla Road,

Andheri (E), Mumbai-400 072.

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### NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of the Company will be held on Thursday the 26th day of September, 2013 at 10.30 A.M. at the Registered office of the Company at Kiran Building 128, Bhaudaji Road, Matunga (E), Mumbai- 400 019 to transact the following business ::

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March,, 2013 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pravin V. Sheth who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. S. C. Asnotkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

By order of the Board  
For **Kunststoffe Industries Limited**  
**Pravin V. Sheth**  
Chairman

Place: Mumbai  
Date: 30th July, 2013.

*Registered Office:*  
Kiran Building,  
128 Bhaudaji Road,  
Matunga (East),  
Mumbai-400 019.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Members who hold shares in dematerialised form are requested to bring their CLIENT ID AND DP ID numbers for easy identification of attendance at the meeting.
3. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Secretarial Department at the Registered Office of the Company.
4. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility by filing Form 2B. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
5. The Share Transfer Books and the Register of Members of the Company will remain close from 19/09/2013 to 26/09/2013(both days inclusive).
6. The documents referred above to in any of the items of the Notice are available for inspection at the Registered Office of the Company on any working day during the business hours of the Company.
7. Members seeking any information with regard to accounts of the Company are requested to send their queries so as to reach the registered office at least 10 days before the meeting to enable the management to keep the information ready for clarification.
8. As a measure of economy, copies of the Annual Report shall not be distributed at the meeting and therefore, members are requested to bring their copies of Annual Report to the meeting.
9. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a Green Initiative in Corporate Governance and allowed

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companies to serve documents on its shareholders through electronic mode. Members are requested to support this green initiative by registering/updating their e-mail address, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with company/its Share Transfer Agents.

10. The Equity Shares of the Company are listed at the following stock exchange:

The Bombay Stock Exchange Ltd., Phiroze Jeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.

The listing fee to the above exchange has been paid.

11. AS REQUIRED IN TERMS OF PARAGRAPH VI(IA) OF CLAUSE 49 OF THE LISTING AGREEMENT, THE DETAILS OF THE DIRECTORS RETIRING BY ROTATION AND ELIGIBLE FOR REAPPOINTMENT ARE FURNISHED BELOW:

- (I) Name: Mr. Pravin V. Sheth Age: 74 years, Qualification: B.Com., LL.B., F.C.A.

Practicing Chartered Accountant, Nature of expertise: Expert in field of Finance, Management, Accounting, Auditing, Taxation and Law. Having good knowledge about plastic industries for last 25

years. Name of the Companies in which also holds directorship: 1) Fiberweb (India) Ltd. Name of companies in which he holds Membership/Chairmanship: Chairman & Managing Director of Fiberweb (India) Ltd.

It will be in the interest of the company that Mr. Pravin V. Sheth continues as Director of the Company.

- (II) Name: Mr. S. C. Asnotkar Age: 84 years, Qualification: B. A. Nature of expertise:

He is an Industrialist. Name of companies in which he holds Directorship: None.

Name of companies in which he holds Membership/Chairmanship: None.

It will be in the interest of the company that Mr. S.C. Asnotkar continues as Director of the company.

By Order of the Board of Directors  
**For Kunststoff Industries Limited**  
**Pravin V. Sheth**  
Chairman

Place: Mumbai  
Date: 30th July, 2013

*Registered Office:*  
Kiran Building,  
128, Bhaudaji Road, Matunga (East),  
Mumbai - 400 019

# KUNSTSTOFFE INDUSTRIES LTD.

## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 27th Annual Report of the Company alongwith the audited statements of Accounts for the year ended 31st March, 2013. The summarised financial results are given below:

### 1. SUMMARISED FINANCIAL RESULTS:

	(Rs. In Lakhs)	
	2012-13	2011-12
Sales & other receipts	122.35	91.15
Gross Profit/(Loss) before depreciations	27.48	3.80
Less : Depreciation	66.78	14.06
Profit(Loss) from regular Activities	(39.30)	(10.26)
Extraordinary items	2027.57	0.00
Profit/(Loss)before and After taxation	1988.27	(10.26)
Add: Balance carried from earlier year	(5918.40)	(5908.15)
Balance carried forward to next year	(3930.13)	(5918.41)

### 2. OPERATIONS:

During the year the sales turnover of the Company was Rs.122.35 lakhs against Rs.91.15 lakhs being the sales of the previous year. Due to paucity of working capital facilities from Banks as Company is under rehabilitation

process by BIFR, the company is doing only job-work. Once the rehabilitation scheme is approved your company could market directly and the profitability and prospects will improve.

### 3. REFERENCE TO BIFR:

Pursuant to an order dated 18-01-2007 of the Hon'ble Bench of BIFR, the Company was declared as a sick industry and IDBI was appointed as the Operating Agency. As per Rehabilitation Scheme approved by the BIFR vide its order dated 8th March 2013 (dispatched on 15th March 2013) capital of the company has been reduced by 60% i.e. from Rs.1185 lacs to Rs.474 lacs. Further the company has made preferential allotment of 21, 50,000 shares of Rs.10/- to promoters & their group and strategic Investor M/s. Gayatri Pipes & Fitting Pvt. Ltd.

### 4. DIVIDEND:

In view of past losses, your directors are unable to recommend payment of any dividend for the year under review.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company is engaged in the business of manufacture of Spirally Bound HDPE/PP Pipes, Vessels, Tanks, etc. The manufacturing facilities of the Company are at Daman, U.T. and

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the Spirally Bound profile wall pipes technology is patented and licensed by BAUKU of Germany. These Pipes ranging from 300 MM to 3000 MM diameter and are used in water sewerage & effluent disposal schemes, ocean out-fuel, etc. Your Company can also manufacture HDPE/PP Tanks of sizes ranging from 5000 liters to 70000 liters with varying wall thickness depending on load distribution and application.

The main objects of your Company to carry on the business of manufactures, dealers, importers, exporters, buyers & seller of all kinds plastic, PVC, polypropylene, polystyrene, polyethylene and polymers. As stated elsewhere, the immediate object of the Company is to set up facilities for the manufacture of large diameter non-pressure HDPE/PP tanks and vessels.

The Company's main business is manufacturing and marketing of "Polymer Processing" and all other activities of the company revolve around this main business. As such there are no separate reportable segments within the Company as defined by AS 17(Segment Reporting) issued by ICAI.

The Company maintains adequate internal control systems, which provide, among other things, reasonable

assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets.

The above statements on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw material costs & availability, change in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and Industrial relations. Your Company assumes no responsibility in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information or events.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **6. FIXED DEPOSITS:**

The Company has not accepted any deposits from the Public within the meaning of Section 58 A of the Companies Act, 1956 during the period under review.

### **7. ADDITIONAL INFORMATION**

#### **A. INFORMATION OF CONSERVATION ENERGY:**

The particulars of additional requirement proposed by the Companies (Amendment) Act, 1988 and the Companies (disclosures of particulars of the report of the Board of Directors) Rules 1988 in respect of the conservation of Energy do not apply to the products of your Company.

#### **B. INFORMATION OF TECHNOLOGY ABSORPTION:**

The Company had initially entered into a Technological Collaboration with BAUKU of Germany and the Company has deputed their engineers for training at the collaborator's plant. The engineers have been trained in process control, production, maintenance and other technology aspects. The Company has absorbed closely guarded technology enabling in to produce

wide range of plastic pipes which require much less raw material than any comparable product. This has enabled the Company to produce pipes and tanks for applications such as sewerage schemes, effluent disposal projects, storage tanks for chemicals etc.

### **8. INFORMATION OF FOREIGN EXCHANGE EARNED AND OUTGO:**

During the year under review your Company has not spent on foreign travel and on import of raw material.

### **9. CORPORATE GOVERNANCE**

Your Company has always the philosophy of conducting its business with due compliance of laws, rules, regulations and sound internal control systems and procedures. Pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company has complied with all the provisions of Corporate Governance and a report on corporate governance is annexed hereto and forms part of this report. A certificate from the auditors of the company regarding compliance of conditions of corporate governance has been included in this Annual Report for your information. In future, the Company intends to implement



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the non-mandatory recommendations, as prescribed in Code of Corporate Governance.

### 10. DIRECTORATE:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pravin V. Sheth and Mr. S.C. Asnotkar retire by rotation and being offers themselves for reappointment. Your Directors recommend that re-election of Mr. Pravin V. Sheth and Mr. S.C. Anotkar will be in the interest of the Company.

### 11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- ❖ That in the preparation of the accounts for the financial period ended 31st March, 2013, the applicable accounting standards have 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 were 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 period and of the profit or loss of the Company for the period under review;

- ❖ That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ❖ That the Directors have prepared the annual accounts for the financial period ended 31st March, 2013 on a 'going concern' basis.

### 12. DEPOSITORY SYSTEM:

Electronic trading of the Company's Equity Shares has been made compulsory by the Securities & Exchange Board of India (SEBI) from June, 2001. As on 31st March, 2013, about 61.40% share holding representing 7276440 Equity Shares of the Company have been dematerialised. Your Company has executed agreements with both NSDL and CDSL for demat of its shares.

### 13. ENVIRONMENTAL PROTECTION & INSURANCE:

The manufacturing process of the Company is environmental friendly in as much there is no effluent discharge.

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Adequate Insurance cover has been taken for properties of the Company including Buildings, Plant & Machinery, Stocks and inventories.

### 14. AUDITORS:

The retiring Auditors, M/s P.M. Turakhia & Associates, Chartered Accountants, Mumbai, are eligible for re-appointment and have indicated their willingness to act as such. In terms of Section 224A of the Companies Act, 1956, their appointment needs to be confirmed and their remuneration has to be fixed.

### 15. AUDITORS' REPORT:

The notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

### 16. CONSTITUTION OF AUDIT COMMITTEE:

As required by the provisions of Section 292 A of the Companies Act, 1956, the Board of Directors had reconstituted an Audit Committee comprising of three Non-Executive Directors viz. Mr. Bhadrash H. Shah, Mr. Mr. S.C. Asnotkar and Mr. Bhaskar T. Iyer.

### 17. PARTICULARS OF EMPLOYEES:

None of the Company's employees were covered by the disclosure requirement pursuant to provisions of Section 217(2A) of the Companies Act, 1956 and rules framed thereunder.

### 18. REGULATORY STATEMENT:

In conformity with the provisions of clause 32 of the Listing Agreement/(s) the Cash Flow Statement for the year ended 31.03.2013 is annexed to the Accounts.

### 19. ACKNOWLEDGEMENT

Yours Directors place on record their deep appreciation of the continued support received from shareholders, bankers and employees.

On behalf of the Board  
**PRAVIN V.SHETH**  
*CHAIRMAN*

Place: Mumbai  
Date: 30th July, 2013

*Registered Office:*  
Kiran Building,  
128, Bhaudaji Road,  
Matunga (East),  
Mumbai - 400 019

# **KUNSTSTOFFE INDUSTRIES LTD.**

## **REPORT ON CORPORATE GOVERNANCE**

This report on Corporate Governance forms part of the Directors Report. This section besides being in compliance of the mandatory listing agreement requirement gives an insight into the process of functioning of the Company.

### **Company's Philosophy on Code of Corporate Governance**

- ❖ To adopt internal and external measures to increase the level of transparency and accountability.
- ❖ To demonstrate to stakeholders that the Company is following right governance practices.
- ❖ To lead the Company towards high growth path of higher profits and revenue.
- ❖ To respect the laws of the land and rights of stakeholders and to get respect from all concerned.
- ❖ To uphold at all times fundamental values of accountability, probity and transparency in all areas of its operations and business practices.

### **Board of Directors**

The Board of Directors comprises of five members, consisting of three Non-Executive Directors, who account for hundred percent of the Board's strength as against minimum requirements of fifty percent as per the listing agreement. The Board of Directors of the Company consists of eminent persons with considerable professional experience and expertise in respective fields. All the above non-executive directors are professionals & independent.

The composition of Board of Directors is as follows:

Name of the Director	Designation	Category	Status
Mr. Pravin V. Sheth	Chairman	Non-Executive	Non-Independent
Mr. Bhadresh H. Shah	Director	Non-Executive	Independent
Mr. S. C. Asnotkar	Director	Non-Executive	Independent
Mr. Bhakar T. Iyer	Director	Non-Executive	Independent
Ms. Soniya.P. Sheth	Director (Whole-time)	Executive	Non-Independent

During the year, five Board meeting were held and the requisite quorum was present at all Board meetings. There is no gap of four months between any two meetings. None of the Directors is a member in more than 10 committees or acts as a Chairman in more than five committees across all companies in which he is a Director.

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➤ Board Meetings and attendance record of each Director

- (i) Five Meetings of the Board of Directors were held during the year ended 31st March, 2013. these were held on :-
- (1) 10th May, 2012      (2) 30th July, 2012      (3) 30th October, 2012  
 (4) 30th January, 2013   (5) 21st March, 2013
- (ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31st March, 2013 and of the last Annual General Meeting is as under:-

Directors	No. of Board Meeting attended	Attendance at the last AGM
Mr. Pravin V. Sheth	5	Yes
Mr. Bhadresh H. Shah	5	Yes
Mr. Sudhir V. Sheth	2	No
Mr. S.C. Asnotkar	5	Yes
Ms. Soniya P.Sheth	5	Yes
Mr. Bhaskar T. Iyer	3	N/A

### Audit Committee

In terms of the provisions of Section 292A of the Companies Act, 1956 and in order to comply with the corporate governance code, the Board of Directors at its meeting held on 30th October, 2012 reconstituted the Audit Committee comprising of Mr. Bhadresh H. Shah (Chairman of the Committee), Mr. S. C. Asnotkar and Mr. Bhaskar T. Iyer who are all Independent Non-Executive Directors. Four Audit Committee Meeting were held on 20th April, 2012, 20th July, 2012, 19th October, 2012 and 21st January, 2013.

The Composition, powers and functions of the Audit Committee were as stipulated under clause 49 of the Listing Agreement and under section 292A of the Companies Act, 1956.

The Composition of Audit Committee is as follows:

Name of the Director	Designation	Category	Status
Mr. B.H. Shah	Chairman of the Committee	Non-Executive	Independent
Mr. S.C. Asnotkar	Member of the Committee	Non-Executive	Independent
Mr. Bhaskar T. Iyer	Member of the Committee	Non-Executive	Independent

Four Audit Committee meetings were held on 20th April 2012, 20th July 2012, 19th Oct. 2012 and 21st January 2013 during the year.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **Remuneration Policy and Details of Remuneration paid**

The Company had on 30th October 2012 set up a Remuneration Committee of Directors, consisting of Mr. Bhadresh Shah Chairman, Mr. S.C. Asnotkar and Mr. Bhaskar T. Iyer.

The terms of remuneration committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee had meeting on 31-12-2012, which was attended by Mr. B. H. Shah, Mr. S. C. Asnotkar and Mr. Bhakar T. Iyer.

Details of remuneration paid/payable to the Directors for the year ended on 31st March, 2013 (01-04-2012 to 31-03-2013) is as follows:

<b>Name</b>	<b>Position held During the year</b>	<b>Salary &amp; Allowances Remuneration</b>	<b>Perquisites (P.F.)</b>	<b>Total</b>
Ms. Soniya P. Sheth	Whole-time Executive Director	Rs.905100	Rs. 00	Rs. 905100

No remuneration was paid to non-executive directors other than the sitting fees aggregating to Rs.20000/- was paid to the non-executive directors during the year for attending the Board Meetings.

### **Board Procedures**

The members of the Board have been provided with the requisite information mentioned in the listing agreement well before the Board Meetings and the same were dealt with appropriately. All the Directors who are on various committee are within permissible limits of the listing agreement.

### **Shareholders/Investors Grievances and Share Transfer Committee**

As a measure of good corporate governance and to focus on the shareholders' grievances and towards strengthening investors relations and to expedite the transfer process in the physical segment. The Company has reconstituted a Share Transfer and Shareholders/Investors Grievances Committee consisting of non executive directors of which Shri Bhadresh H. Shah is the Chairman and the members of the Committee are Mr. S.C. Asnotkar and Mr. Bhaskar T. Iyer. During the year the Company had received 3 investor complaints. The number of pending compliants at the close of the year were nil. There were no share transfer pending for registration for more than 30 days. The Committee met 21 times during the year.

### **Compliance Certificate**

Compliance Certificate for corporate governance from Auditors of the Company is annexed herewith.

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### General Body Meetings

- ❖ The details of Annual General Meetings held in last three year are as follows:-

AGM	Day	Date	Time	Venue
24th	Tuesday	28-09-2010	10.00 a.m.	Parekh-Vora Chambers, 66, N. Master Road Fort, Mumbai – 400 023
25th	Wednesday	28-09-2011	10.00 a.m.	Parekh-Vora Chambers, 66, N. Master Road, Fort, Mumbai- 400 023.
26th	Thursday	27-09-2012	10.30 a.m.	Parekh-Vora Chambers, 66, N. Master Road, Fort, Mumbai- 400 023.

- ❖ Whether special resolutions were put through postal ballot last year? No
- ❖ Are special resolutions proposed to be put through postal ballot this year? Yes

### Means of Communication

- ❖ The Board takes on record the unaudited quarterly financial results in the prescribed proforma of the stock exchanges within one month of close of the quarter and announces forthwith the results to all the stock exchanges where the shares of the Company are listed within 48 hours of the conclusion of the meeting of the Board in which they are approved and are published in any one of the prominent English publication such as the Free Press Journal and one of the prominent vernacular publications such as Navshakti (Marathi). as per the terms of Listing agreements with Stock Exchanges. Quarterly financial results are being displayed on the Company's website.
- ❖ The Annual General Meeting is the principal forum for face to face communication with shareholders, where the Board responds to the specific queries of the shareholders.
- ❖ No presentation was made during the year either to the Institutional Investors or to the analysts.
- ❖ Management Discussion and Analysis Report has been included in the Directors' Report and forms part of this Annual Report.

### Disclosure

- ❖ There have been no transactions of material nature between the Company and its promoters, directors, management, their subsidiaries or relatives etc.
- ❖ No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **SHAREHOLDERS INFORMATION**

Date, time and venue of 27th AGM	: Thursday, 26th Sept. 2013 at 10.30a.m. at. Kiran Building, 128, Bhaudaji Road, Matunga (E), Mumbai-400 019.
Dates of Book Closure	: 19/09/ 2013 to 26/09/ 2013 (both days inclusive)
Listing on Stock Exchanges	: Bombay Stock Exchange Ltd Mumbai
Listing Fees	: Paid for above stock exchange as per the Listing Agreement.
Demat Arrangement	: With NSDL and CDSL
ISIN No.	: INE 638D01013
BSE Stock Code	: 523594
Company's CIN No.	: L65910MH1985PLC037998
Registered Office	: Registered Office: Kiran Building, 128, Bhaudaji Road, Matunga (East), Mumbai – 400 019. Tel No. 022-24082689/90 Fax No.022-24044853 E-mail: kunststoffe@vsnl.net Website: kunststoffeindia.com
Registrar & Share Transfer Agents	: Sharex Dynamic (India) Pvt. Ltd., Unit No.1, Luthra Industrial Premises, 1st Floor, Andheri-Kurla Road, Safed Pool, Andheri(East), Mumbai-400072. Tel No.022- 2851 5606, 28515644 Fax No.022-2851 2885 Email: sharexindia@vsnl.com
Compliance Officer	: <b>Mr. B. H. Shah</b> , <i>Non executive Director</i> .

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### Stock Data:

#### High and Low prices at BSE

Month	High (Rs.)	Low (Rs.)
April 2012	3.48	2.60
May 2012	3.38	2.95
June 2012	3.42	2.86
July 2012	5.14	3.50
August 2012	7.53	4.64
September 2012	6.82	3.88
October 2012	4.24	3.47
November 2012	4.78	4.04
December 2012	7.32	4.35
January 2013	10.10	7.00
February 2013	9.98	7.14
March 2013	7.47	6.80

Source : [www.bseindia.com](http://www.bseindia.com)

#### Categories of Shareholders as on 31st March, 2013:

Category of Shareholders	Number of Shareholders	Percentage of (A+B+C )	Total Number of Shares held
<b>(A) Shareholding of Promoters And Promoter Group</b>			
(1) Indian	10	24.81	2939933
(2) Foreign	0	0.00	0
<b>Total shareholding of Promoter &amp; Promoter Group</b>	<b>10</b>	<b>24.81</b>	<b>2939933</b>
<b>(B) Public Shareholding</b>			
(1) Institutions	10	4.60	544750
(2) Non-Institutions.	14940	70.59	8365317
<b>Total Public Shareholding</b>	<b>14950</b>	<b>75.19</b>	<b>8910067</b>
(C) Shares held by custodians	0	0.00	0
<b>Grand Total(A)+(B)+(C)</b>	<b>14960</b>	<b>100.000</b>	<b>11850000</b>



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### Distribution of Shareholding as on 31st March, 2013:

No. of Equity Shares	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
1 - 100	6390	42.71	613198	5.17
101 - 200	4207	28.12	785156	6.63
201 - 500	2722	18.20	1057094	8.92
501 - 1000	1011	6.75	799336	6.75
1001 - 5000	484	3.24	1090249	9.20
5001 - 10000	67	0.45	476897	4.02
10001 - 100000	69	0.46	1934474	16.32
100001 - and above	10	0.07	5093596	42.99
<b>TOTAL</b>				
<b>Total</b>	<b>14960</b>	<b>100.00</b>	<b>11850000</b>	<b>100.00</b>

Plants : Airport Road, Kadaiya Village, Nani Daman, Daman (U.T.)

#### Dematerialisation of equity shares

The shares of the Company have been brought under compulsory demat mode with effect from June, 2001. As on 31st March, 2013 about 61.40% share holding representing 7276440 shares of the Company have been converted into demat form. The Company has executed agreements with both NSDL and CDSL for demat of its shares.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of

#### **KUNSTSTOFFE INDUSTRIES LIMITED**

1. We have examined the Corporate Governance report of Kunststoffe Industries Limited for the year ended 31st March, 2013 with the relevant records and documents maintained & furnished to us by the Company and as approved by the Board of Directors.
2. The Compliance of conditions on Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. 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.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Shareholders/Investors Grievance Committee.
5. On the basis of our review and according to information and explanations provided to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

For **P.M. Turakhia & Associates,**  
Chartered Accountants  
**M. D. TURAKHIA**  
Partner

Place : Mumbai

Date : 30th July, 2013

**AUDITORS' REPORT**

To,  
The Members of  
**Kunststoffe Industries Ltd**

**Report on the Financial Statements**

We have audited the accompanying financial statements of KUNSTSTOFFE INDUSTRIES LTD ('the Company') which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and subject to Notes B.2, B.3, B.4, B.5 and B.6, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and the 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, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

(P.M. TURAKHIA & ASSOCIATES)  
Firm Registration No: 111086w

Place: MUMBAI  
Date : 30.05.2013

(M.D. TURAKHIA)  
Membership No: 017399

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### ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our report to the members of Kunststoffe Industries Ltd ('the Company') for the year ended 31 March 2013. We report that: -

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details & situation of fixed assets.
- (b) All the Assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its Fixed Assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off major or substantial parts of fixed assets so as to affect the going concern status of the Company.
- ii) As the company has not purchased / sold goods during the year nor is there any opening stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- iii) The Company had neither taken nor granted any loans, secured or unsecured from / to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Hence, the question of reporting whether the rate of interest and other terms and conditions of such loans are prima facie prejudicial to the interest of the company, whether reasonable step for recovery / payment of the overdues of such loans are taken does not arise.
- iv) There is adequate inventory control procedure commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. There is no continuing failure to correct major weaknesses in internal control.
- v) Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that there were no transactions during the year that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- vi) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any public deposits so far upto 31st March, 2013.

## **KUNSTSTOFFE INDUSTRIES LTD.**

- vii) The company has an internal audit system commensurate with the size of the company and nature of its business.
- viii) We are unable to offer any comment on the clause no. (viii) pertaining to maintenance of cost records as the cost auditor has not completed cost audit till date.
- ix) (a) The company is regular in depositing with appropriate authority undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it.  
(b) No un-disputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.  
(c) There are no dues of sales tax / income tax / custom tax / wealth tax / excise duty / Cess which have not been deposited on account of any dispute.
- x) The accumulated losses of the company exceeds 50% (fifty percent) of its Net Worth and hence the Company has filed a reference with BIFR, New Delhi under the SICA 1985 which has been registered by the BIFR vide order passed dated 18/01/2007. The Company has incurred Cash Profit of Rs.38,69,925/- in the Current Financial Year and a Cash Profit of Rs.3,80,105 /- in the immediately preceding Financial Year. In arriving at the accumulated loss and net worth, we have considered the qualifications, which are quantifiable in the Audit Reports of the year to which these losses pertain.
- xi) Based on the audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The Company has not granted any Loans & Advances on the basis of Security by way Pledge of Shares, Debentures and other securities. Hence, the provisions as to whether the adequate documents and records are maintained and to point out the deficiencies, if any in this regard are not applicable.
- xiii) The Company is not a Chit Fund or Nidhi / Mutual Benefit Fund/Society. Hence the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

## ANNUAL REPORT 2012-13

- xiv) The Company is not dealing in or trading in Shares, Securities, Debentures and other investments. Hence, the provisions of Clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) The company has not given any guarantee for loans taken by others from Bank or Financial Institution. Accordingly, the provisions as to whether the terms & conditions in respect thereof are prejudicial to the interest of the Company are not applicable.
- xvi) According to the record of the company, the company has not obtained any term loans. Hence, comments under the clause are not called for.
- xvii) On an overall examination of the Balance Sheet of the Company, we report that, no funds raised on short-term basis have been used for long-term investment.
- xviii) The company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act.1956. Hence the question whether the price at which shares have been issued is prejudicial to the interest of the company are not applicable.
- xix) As the Company has not issued any Debentures, the provisions as to whether securities or charge have been created in respect of Debentures issued are not applicable.
- xx) The company has not raised any money by public issue. Hence the provisions as to whether the management has disclosed on the end use of money raised by public issue and the same has been verified are not applicable.
- xxi) No fraud on or by the company has been noticed or reported during the course of our Audit.

FOR **P.M. TURAKHIA & ASSOCIATES**

Firm Registration No: 111086w

Place: MUMBAI

Date : 30.05.2013

**(M.D. TURAKHIA)**

Membership No: 017399

# KUNSTSTOFFE INDUSTRIES LTD.

## BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	AS AT 31-03-2013	AS AT 31-03-2012
<b>A EQUITY AND LIABILITIES</b>			
1 <b>Shareholders' funds</b>			
(a) Share capital	1	118,500,000	118,500,000
(b) Reserves and surplus	2	(29,525,705)	(495,425,724)
		88,974,295	(376,925,724)
2 <b>Share application money pending allotment</b>	18.1	21,500,000	13,800,000
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	21,800,000	490,208,000
<b>4 Current liabilities</b>			
(a) Short-term borrowings	4	-	-
(b) Trade payables	5	4,833,912	835,991
(c) Other current liabilities	6	14,843	14,301
<b>TOTAL</b>		<b>137,123,050</b>	<b>127,932,568</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	126,284,105	119,489,605
(ii) Long Term Loans and Advances	8	1,497,196	1,484,625
		127,781,301	120,974,229
<b>2 Current assets</b>			
(c) Trade receivables	9	5,494,685	6,193,450
(d) Cash and cash equivalents	10	1,085,832	375,507
(e) Short-term loans and advances	11	2,743,232	325,390
(f) Other current assets	12	18,000	63,992
		9,341,749	6,958,339
<b>TOTAL</b>		<b>137,123,050</b>	<b>127,932,568</b>
See accompanying notes forming part of the financial statements		0	-
In terms of our report attached. <b>For P. M. TURAKHIA &amp; ASSOCIATES</b> Chartered Accountants  <b>(Mr. M. D. Turakhia)</b> Partner Membership No. : 017399  Place: Mumbai Dated: 30-05-2013		For <b>KUNSTSTOFFE INDUSTRIES LTD.</b> On behalf of Board of Directors  Directors <b>PRAVIN V. SHETH</b> <b>S. C. ASNOTKAR</b>  Executive Director <b>SONIYA P. SHETH</b>  Place: Mumbai Dated: 30-05-2013	



## ANNUAL REPORT 2012-13

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	For the year ended 31-03-2013	For the year ended 31-03-2012
<b>A CONTINUING OPERATIONS]</b>			
<b>1 Revenue from operations (gross)</b>	13	11,812,485	8,853,005
<b>2 Other income</b>	14	422,630	262,000
<b>3 Total revenue (1+2)</b>		12,235,115	9,115,005
<b>4 Expenses</b>			
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	15	-	-
(d) Employee benefits expense	16	3,329,441	3,228,941
(f) Depreciation and amortisation expense	7.C	6,677,906	1,405,676
(g) Other expenses	16	6,158,245	5,505,958
<b>Total expenses</b>		<b>16,165,592</b>	<b>10,140,575</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		-3,930,477	-1,025,570
<b>8 Revaluation reserve/Extraordinary items</b>	17	202,757,557	-
<b>9 Profit / (Loss) before tax (7 + 8)</b>		198,827,080	-1,025,570
See accompanying notes forming part of the financial statements			

In terms of our report attached.  
**For P. M. TURAKHIA & ASSOCIATES**  
Chartered Accountants

**(Mr. M. D. Turakhia)**  
Partner  
**Membership No. :** 017399

Place: Mumbai  
Dated: 30-05-2013

For **KUNSTSTOFFE INDUSTRIES LTD.**

On behalf of Board of Directors

Directors **PRAVIN V. SHETH**  
**S. C. ASNOTKAR**

Executive Director **SONIYA P. SHETH**

Place: Mumbai  
Dated: 30-05-2013

# KUNSTSTOFFE INDUSTRIES LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		-2,807,981		-1,265,569.45
<b>Adjustments for:</b>				
Depreciation and amortisation	6,677,906		1,405,675	
Expense on employee stock option scheme	-		-	1,405,675.45
Rent Received	-240,000	6,437,906		
		3,629,925		140,106
Operating profit / (loss) before working capital changes				
<b>Changes in working capital:</b>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	-		-	
Deposits (Assets)	-2,414,469			
Advances (Assets)	30,048			
Trade receivables	698,764	-1,685,657	-8,203,663	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	3,998,463	3,998,463	-140,227	-8,343,890
		2,312,806		-8,203,784
Cash flow from extraordinary items				
Cash generated from operations				
Net income tax (paid) / refunds				
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>5,942,731.00</b>		<b>-8,203,784.00</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances				
Proceeds from sale of fixed assets	(13,472,407)		(2,773,009)	
Loans realised / (paid)				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	-		392,854	
Rental income from investment properties	240,000		240,000	
Amounts received from LLPs				
Cash flow from extraordinary items		(13,232,407)		(2,140,155)
		-		-
Net income tax (paid) / refunds				
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(13,232,407)</b>		<b>(2,140,155)</b>

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### CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES

Cash Flow Statement for the year ended 31 March, 2013 (Contd.)				
Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
<b>C. Cash flow from financing activities</b>				
Share application money received / (refunded)	1,200,000		9,000,000	
Proceeds from long-term borrowings	6,800,000		6,144,838	
Repayment of other short-term borrowings	-		(5,044,000)	
Tax on dividend		8,000,000		10,100,838
Cash flow from extraordinary items				
<b>Net cash flow from / (used in) financing activities (C)</b>		8,000,000		10,100,838
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		710,324		243,101
Cash and cash equivalents at the beginning of the year		375,507		618,608
<b>Cash and cash equivalents at the end of the year</b>		1,085,831		375,507
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)				
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)				
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19				
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)				
<b>Cash and cash equivalents at the end of the year *</b>				
* Comprises:				
(a) Cash on hand				
(b) Cheques, drafts on hand				
(c) Balances with banks				
(i) In current accounts				
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 3 months				
(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
(d) Others (specify nature)				
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)				
<b>Notes:</b>				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				
See accompanying notes forming part of the financial statements				
In terms of our report attached. <b>For P. M. TURAKHIA &amp; ASSOCIATES</b> Chartered Accountants  <b>(Mr. M. D. Turakhia)</b> Partner <b>Membership No. : 017399</b>  Place : Mumbai Dated : 30-05-2013			For <b>KUNSTSTOFFE INDUSTRIES LTD.</b> On behalf of Board of Directors  Directors <b>PRAVIN V. SHETH</b> <b>S. C. ASNOTKAR</b>  Executive Director <b>SONIYA P. SHETH</b>  Place : Mumbai Dated : 30-05-2013	

# KUNSTSTOFFE INDUSTRIES LTD.

## Notes forming part of the financial statements

Note & Share Capital				
Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Rs	Number of shares	Rs
(a) Authorised Equity shares of Rs 10/- each with voting rights	15,000,000	150,000,000	15,000,000	150,000,000
(b) Issued Equity shares of Rs 10/- each with voting rights	11,850,000	118,500,000	11,850,000	118,500,000
(c) Subscribed and fully paid up Equity shares of Rs 10/- each with voting rights	11,850,000	118,500,000	11,850,000	118,500,000
(d) Subscribed but not fully paid up	-	-	-	-
<b>Total</b>	<b>11,850,000</b>	<b>118,500,000</b>	<b>11,850,000</b>	<b>118,500,000</b>

  

Particulars								
Notes:								
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:								
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2013								
- Number of shares	15,000,000	-	-	-	-	-	-	15,000,000
- Amount (₹)	150,000,000	-	-	-	-	-	-	150,000,000
Year ended 31 March, 2012								
- Number of shares	15,000,000	-	-	-	-	-	-	15,000,000
- Amount (₹)	150,000,000	-	-	-	-	-	-	150,000,000

  

Particulars				
Notes:				
(iv) Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Pravin V Sheth	1,183,081	9.984	1,103,084	9.309
Chemical And Alkali Distributors Limited	-	0	957,848	8.083
Bharat Equity Services Ltd	1,510,534	12.747	1,608,626	13.575
Bharat Capital & Holdings Ltd	1,270,222	10.719	312,374	2.686

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<b>Note 2 Reserves and surplus</b>		
Particulars	As at 31 March, 2013	As at 31 March, 2012
(b) Securities premium account		
Opening balance	19,750,000	19,750,000
Closing balance	19,750,000	19,750,000
(c) Revaluation reserve		
Opening balance	76,664,458	-
Add: Addition on revaluations during the year	-	121,519,764
Less: Utilised for set off against depreciation	-	44,855,306
Closing balance	76,664,458	76,664,458
(d) General reserve		
Opening balance	-	-
Add: Additions during the year	267,072,939	-
Less: Utilised / transferred during the year for:	-	-
Closing balance	267,072,939	-
(e) Other reserves (Profit & Loss Accounts)		
Opening balance	(591,840,182)	(590,814,612)
Add: Additions during the year	198,827,080	(1,025,570)
Closing balance	(393,013,102)	(591,840,182)
<b>Total</b>	<b>(29,525,705)</b>	<b>(495,425,724)</b>
<b>Note 3 Long-term borrowings</b>		
Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Other loans and advances		
Secured	15,000,000	490,208,000
Unsecured	6,800,000	-
<b>Total</b>	<b>21,800,000</b>	<b>490,208,000</b>

## KUNSTSTOFFE INDUSTRIES LTD.

Particulars					
Notes:					
(iii) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:					
Particulars	Terms of repayment and security*	As at 31 March, 2013		As at 31 March, 2012	
		Secured Rs	Unsecured Rs	Secured Rs	Unsecured Rs
Other loans and advances:					
Gayatri Pipes & Fittings Pvt. Ltd.	takenover in terms of deed of assignments entered into between IDBI & Company.	15,000,000	-	490,208,000	-
A M Reality Pvt. Ltd.		-	6,000,000	-	-
Mr. Praveen V. Sheth		-	800,000	-	-
<b>Total - Other loans and advances</b>		<b>15,000,000</b>	<b>6,800,000</b>	<b>490,208,000</b>	<b>-</b>
<b>Note 4 Trade payables</b>					
Particulars			As at 31 March, 2013 Rs	As at 31 March, 2012 Rs	
Trade payables:					
Acceptances			4,833,912.24	835,991	
<b>Total</b>			<b>4,833,912.24</b>	<b>835,991</b>	
<b>Note 5 Other current liabilities</b>					
Particulars			As at 31 March, 2013 Rs	As at 31 March, 2012 Rs	
(j) Other payables					
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)			14,843	14,301	
<b>Total</b>			<b>14,843</b>	<b>14,301</b>	

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<b>Note 8 Long Term loans and advances</b>		
Particulars	As at 31 March, 2013 Rs	As at 31 March, 2012 Rs
(a) Loans and advances to related parties (Refer Note below)" Unsecured, considered good Bharat Capital & Holding Ltd Stallion Breweries Ltd	100,000 5,000	105,000
(b) Security deposits Secured, considered good	504,000	504,000
(c) Loans and advances to employees Secured, considered good	127,500	157,500
(e) Balances with government authorities Unsecured, considered good Others - TDS : A.Y. 2011-12 - TDS : A.Y. 2012-13 - TDS : A.Y. 2013-14	296,159 204,287 260,250	217,679 296,159 204,287
<b>Total</b>	<b>1,497,196</b>	<b>1,484,625</b>
<b>Note 9 Trade receivables</b>		
Particulars	As at 31 March, 2013 Rs	As at 31 March, 2012 Rs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good Less: Provision for doubtful trade receivables	7,486,899 1,992,214	8,185,664 1,992,214
<b>Total</b>	<b>5,494,685</b>	<b>6,193,450</b>
<b>Note 10 Cash and cash equivalents</b>		
Particulars	As at 31 March, 2013 Rs	As at 31 March, 2012 Rs
(a) Cash on hand - Daman - Mumbai	650,578 140,235 510,343	143,583
(b) Balances with banks (i) In current accounts - Bank of Baroda - BOB/M - 05800200000478 - CITI Bank - 0841981006 - Goa Bank, Daman - 00251010000280 - SBI -Daman - 10246331861	435,254.02 5,0387.50 199,604.44 19,203.56 159,945.37 51,464.15	231,924
<b>Total</b>	<b>1,085,832.02</b>	<b>375,507</b>

## KUNSTSTOFFE INDUSTRIES LTD.

<b>Note 11 Short-term loans and advances</b>		
Particulars	As at 31 March, 2013 Rs	As at 31 March, 2012 Rs
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	55,973	52,600
(e) Balances with government authorities Unsecured, considered good		
(i) CEN VAT credit receivable	2,343,480	17,827
(ii) Service Tax credit receivable	343,779	254,963
(iii) Others -	-	
Total	2,687,259	272,790
Total	2,743,232	325,390
<b>Note 12 Other current assets</b>		
Particulars	As at 31 March, 2013 Rs	As at 31 March, 2012 Rs
(a) Accruals		
(i) Interest accrued on deposits	-	45,992
(b) Others		
(i) Others -Rent Receivable	18,000	18,000
Total	18,000	63,992



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## Notes forming part of the financial statements

<b>Note 6 Fixed assets</b>										
A. Tangible assets	GROSS BLOCK									
	Balance as at 1 April, 2012	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments (revaluation of prior period)	Balance as at 31 March, 2013
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
(a) Land Freehold	24,000,000	-	-	-	-	-	-	-	-	24,000,000
(b) Buildings Own use	12,501,730	-	-	-	-	-	-	-	-	12,501,730
(c) Plant and Equipment Owned	200,970,363	13,440,547	-	-	-	-	-	-	-	214,410,910
(d) Furniture and Fixtures Owned	144,275	-	-	-	-	-	-	-	-	144,275
(e) Vehicles Owned	2,773,009	-	-	-	-	-	-	-	-	2,773,009
(f) Office equipment Owned	434,118	-	-	-	-	-	-	-	-	434,118
(g) Others (computer), etc. Owned	179,579	31,860	-	-	-	-	-	-	-	211,439
<b>Total</b>	<b>241,003,074</b>	<b>13,472,407</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,475,481</b>
Previous year	235,315,825	2,773,009	-	-	-	121,519,764	-	-	(118,605,524)	241,003,074

# KUNSTSTOFFE INDUSTRIES LTD.

## Note 7 Fixed assets (contd.)

A	Tangible assets	Accumulated depreciation and impairment										Net block	
		Balance as at 1 April, 2012	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012	Rs	Rs
		Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
(a)	Land Freehold	-	-	-	-	-	-	-	-	-	-	24,000,000	24,000,000
(b)	Buildings Own use	3,346,733	303,439	-	-	-	-	-	-	-	3,650,172	8,851,558	9,154,997
(c)	Plant and Equipment Owned	117,289,340	6,103,770	-	-	-	-	-	-	-	123,393,110	91,017,800	83,681,023
(d)	Furniture and Fixtures Owned	144,275	-	-	-	-	-	-	-	-	144,275	-	-
(e)	Vehicles Owned	131,357	263,436	-	-	-	-	-	-	-	394,793	2,378,216	2,641,652
(f)	Office equipment Owned	434,118	-	-	-	-	-	-	-	-	434,118	-	-
(g)	Others (computers). Owned	167,647	7,261	-	-	-	-	-	-	-	174,908	36,531	11,932
	Total	121,513,470	6,677,906	-	-	-	-	-	-	-	128,191,376	126,284,105	119,489,604
	Previous year	75,252,488	1,405,676	-	-	-	-	-	-	-	44,855,306	119,489,604	41,457,813

## ANNUAL REPORT 2012-13

Note 7 Fixed assets (contd.)						
Particulars						
<b>C. Depreciation and amortisation relating to continuing operations:</b>						
Particulars	For the year ended 31 March, 2013 Rs	For the year ended 31 March, 2012 Rs				
Depreciation and amortisation for the year on tangible assets as per Note 3 A	6,667,906	1,405,676				
Depreciation and amortisation for the year on intangible assets as per Note 3 B						
Less: Utilised from revaluation reserve						
Depreciation and amortisation relating to discontinuing operations (Refer Note 30.11)						
Depreciation and amortisation relating to continuing operations						
Notes:						
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:						
Particulars		Year				
		31-Mar-13 Rs	31-Mar-12 Rs	31-Mar-11 Rs	31-Mar-10 Rs	31-Mar-9 Rs
∞ Details to be provided for each class of asset	LAND					
Opening balance		24,000,000	15,000,000	15,000,000	15,000,000	3,000,000
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		-	-	-	-	-
Added on revaluation						
Date			31.03.2012			31.03.2009
Amount		-	9,000,000	-	-	12,000,000
Balance as at 31 March		24,000,000	24,000,000	15,000,000	15,000,000	15,000,000

## KUNSTSTOFFE INDUSTRIES LTD.

Particulars		Year				
		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-9
		Rs	Rs	Rs	Rs	Rs
Details to be provided for each class of asset	FACTORY BUILDINGS					
Opening balance		9,084,998	7,106,316	7,360,657	7,614,998	4,132,213
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		233,442	254,341	254,341	254,341	221,766
Added on revaluation						
Date		-	31.03.2012	-	-	31.03.2009
Amount		-	2,233,023	-	-	3,704,551
Balance as at 31 March		8,851,556	9,084,998	7,106,316	7,360,657	7,614,998

  

Particulars		Year				
		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-9
		Rs	Rs	Rs	Rs	Rs
Details to be provided for each class of asset	PLANT & MACHINERIES - 1					
Opening balance		126,647,838	17,182,642	17,995,265	18,791,631	9,212,563
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		5,944,715	821,545	812,623	796,366	325,878
Added on revaluation						
Date		-	31.03.2012	-	-	31.03.2009
Amount		-	110,286,741	-	-	9,904,946
Balance as at 31 March		120,703,123	126,647,838	17,182,642	17,995,265	18,791,631

## ANNUAL REPORT 2012-13

Particulars		Year				
		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-9
		Rs	Rs	Rs	Rs	Rs
⌘ Details to be provided for each class of asset	PLANT & MACHINERIES - 2					
Opening balance		3,001,250	3,167,500	3,333,750	3,500,000	1,508,220
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		142,559	166,250	166,250	166,250	738,779
Added on revaluation						
Date		-	-	-	-	31.03.2009
Amount		-	-	-	-	2,730,559
Balance as at 31 March		2,858,691	3,001,250	3,167,500	3,333,750	3,500,000
Particulars		Year				
		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-9
		Rs	Rs	Rs	Rs	Rs
⌘ Details to be provided for each class of asset	PLANT & MACHINERIES - 3					
Opening balance		325,206	344,444	363,682	382,920	354,157
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		16,496	19,238	19,238	19,238	54,291
Added on revaluation						
Date		-	31.03.2012	-	-	31.03.2009
Amount		-	-	-	-	83,054
Balance as at 31 March		308,710	325,206	344,444	363,682	382,920

## KUNSTSTOFFE INDUSTRIES LTD.

Particulars		Year				
		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-9
		Rs	Rs	Rs	Rs	Rs
≈ Details to be provided for each class of asset	LAB & OFFICE EQUIPMENT					
Opening balance		68,126	71,926	75,726	79,526	28,101
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		-	3,800	3,800	3,800	17,852
Added on revaluation						
Date		-	31.03.2012	-	-	31.03.2009
Amount		-	-	-	-	69,277
Balance as at 31 March		68,126	68,126	71,926	75,726	79,526

  

Particulars		Particulars Year				
		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-9
		Rs	Rs	Rs	Rs	Rs
≈ Details to be provided for each class of asset	FURNITURE & FIXTURES					
Opening balance		21,631	23,245	24,859	25,500	-
Written off on reduction of capital						
Date						
Amount		-	-	-	-	
Written off on revaluation						
Date						
Amount		-	1,614	1,614	641	-
Added on revaluation						
Date						31.03.2009
Amount		-	-	-	-	-
Balance as at 31 March		21,631	21,631	23,245	24,859	25,500

## ANNUAL REPORT 2012-13

Particulars		Year				
		31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-9
		Rs	Rs	Rs	Rs	Rs
⌘ Details to be provided for each class of asset	COMPUTERS					
Opening balance		27,595	35,126	28,587	34,118	-
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		7,261	7,531	5,799	5,531	3,882
Added on revaluation						
Date						
Amount		-	-	-	-	-
Balance as at 31 March		20,334	27,595	35,126	28,587	34,118
⌘ Details to be provided for each class of asset	VEHICLES					
Opening balance		2,641,652	2,773,009	-	-	-
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		263,436	131,357	-	-	-
Added on revaluation						
Date						-
Amount		-	-	-	-	-
Balance as at 31 March		2,378,216	2,641,652	-	-	-

# KUNSTSTOFFE INDUSTRIES LTD.

## Notes forming part of the financial statements

<b>Note 13 Revenue from operations</b>			
	<b>Particulars</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
		<b>Rs</b>	<b>Rs</b>
(a)	Sale of services (Refer Note (ii) below)	11,812,485	8,853,005
	Total	11,812,485	8,853,005
<b>Note</b>	<b>Particulars</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
		<b>Rs</b>	<b>Rs</b>
(ii)	Sale of services comprises :		
	Labour Charges	11,812,485	8,853,005
	Total - Sale of services	11,812,485	8,853,005
<b>Note 14 Other income</b>			
	<b>Particulars</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
		<b>Rs</b>	<b>Rs</b>
(a)	Interest income (Refer Note (i) below)	182,630	22,000
(b)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (iii) below)	240,000	240,000
	Total	422,630	262,000
<b>Note</b>	<b>Particulars</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
		<b>Rs</b>	<b>Rs</b>
(a)	Interest on income tax refund	28,291	22,000
(b)	Interest from bank on fixed deposit	154,339	-
	Total - Interest income	182,630	22,000
<b>Note</b>	<b>Particulars</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
		<b>Rs</b>	<b>Rs</b>
ii)	Other non-operating income comprises:		
	Rental income from investment properties	240,000	240,000
	Total - Other non-operating income	240,000	240,000
<b>Note 15. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>			
	<b>Particulars</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
		<b>Rs</b>	<b>Rs</b>
	<b>Inventories at the beginning of the year:</b>		
	Finished goods	-	-
	Net (increase) / decrease	-	-



## ANNUAL REPORT 2012-13

<b>Note 16 Employee benefits expense</b>		
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs	Rs
Salaries and wages	2,895,067	2,770,276
Contributions to provident and other funds (Refer Note 19.1)	275,700	266,885
Staff welfare expenses	158,674	191,780
Total	3,329,441	3,228,941
<b>Note 17 Other expenses</b>		
Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs	Rs
Consumption of stores and spare parts	102,682	72,817
Security Charges	698,563	623,107
Power and fuel	2,995,873	2,426,760
Rent	168,000	72,000
Repairs and maintenance - Buildings	-	126,492
Repairs and maintenance - Machinery	130,181	156,512
Repairs and maintenance - Others	20,361	26,611
Insurance	88,895	35,379
Rates and taxes	118,060	131,384
Communication (Telephone Expenses)	78,283	85,200
Travelling and conveyance	218,318	376,811
Printing and stationery	30,973	34,357
Freight and forwarding		12,300
Business promotion		-
Legal and professional	1,137,196	1,106,452
Payments to auditors (Refer Note (i) below)	63,000	60,000
Bank Charges	16,906	-
Coolie & Cartage Expenses	13,900	-
Data Processing Charges	54,570	-
Festival Expenses	21,000	-
Advertisement & Publicity	82,125	-
AGM Expenses	525	-
Office Expenses	42,972	-
Service Tax	5,072	-
Postage & Telegram	980	-
Canteen Expenses	1,116	-
Director's sitting fees	21,000	-
Bad Debts	45,194	-
Miscellaneous expenses	2,500	159,776
Total	6,158,245	5,505,958

## KUNSTSTOFFE INDUSTRIES LTD.

<b>Notes:</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
	<b>Rs</b>	<b>Rs</b>
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	40,000	40,000
For other services -Tax Audit	20,000	20,000
For other services -VAT Audit	3,000	-
<b>Total</b>	<b>63,000</b>	<b>60,000</b>

Note 18 Additional information to the financial statements

Note      Particulars

18.1 Share application money pending allotment

As at 31 March 2013, the Company has received an amount of Rs. 21500,000 towards share application money towards 2150,000 equity shares of the Company. (As at 31 March, 2012 Rs.13800000 towards 1380000 equity shares) at a premium of Rs. 0 (As at 31 March, 2011 Rs. 0). The share application money was received pursuant to the BIFR direction in its hearing dated 15/10/2010. The Company has sufficient authorised capital to cover the allotment of these shares.

Note 15 Disclosures under Accounting Standards (contd.)

Note      Particulars

15.1 Employee benefit plans

15.1.a Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 2,75,700/- (Year ended 31 March, 2012 Rs. 2,66,885/-) for Provident Fund contributions and N.A. (Year ended 31 March, 2011 N.A.) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

15.1.b Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity Refer accounting note A 5 of Auditors report.

## ANNUAL REPORT 2012-13

NOTES FORMING PARTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### Note No. 1

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. GENERAL :

- (a) The Accounts are prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provision of the Companies Act, 1956 as adopted consistently by the company.
- (b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed.

##### 2. FIXED ASSETS :

Fixed Assets are shown at Original cost of acquisition less accumulated depreciation.

##### 3. DEPRECIATION :

Depreciation is provided on straight line basis applying the rates specified in Schedule XIV of the Companies Act 1956 under straight line method:

- (i) In respect of assets acquired on 01.01.1994 and thereafter at revised rates specified in the said Schedule vide Notification No 756 E dated 16.12.93 and as clarified in Circular No. 14 dated 20.12.1993 issued by the Department of the Company Affairs.
- (ii) In respect of assets on hand as on 31.12.93 at the rates in force prior to the abovementioned notification.

##### 4. REVENUE RECOGNITION :

- (a) In case of Sales of Goods – When the property and all significant risk and rewards of ownership are transferred to the buyer or no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. It excludes amounts recovered towards Sales Tax.
- (b) Interest – On a time proportion basis taking into account the outstanding principal and the relative rate of interest.

##### 5. TREATMENT OF EMPLOYEES BENEFITS :

Benefits payable to employees during their tenure of employment viz. Bonus, Leave Encashment etc are accounted on cash basis.

Retirement benefits are accounted as and when the same become due for payment.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **6. TREATMENT OF CONTINGENT LIABILITIES AND CONTINGENT GAINS :**

The amount of Contingent losses are charged to the profit & loss Account on a reasonable estimates basis, if it is probable that future event confirm that an asset has been impaired or a liability has been incurred as at the Balance Sheet date and contingent gains are not recognized in the accounts.

### **B. OTHER NOTES ON ACCOUNTS:**

1. Pursuant to reference made by the company, The Hon. Bench of BIFR, New Delhi by their order dated 18.01.2007 declared your Company as Sick Industry. Rehabilitation Scheme is under final stage of acceptance and it is hoped to be approved soon.
2. The Company has revalued Fixed Assets, Investments and Loans & Advances for the year ended 31.12.2007; Fixed Assets & Investments for the year ended 31.03.2009 and Fixed Assets for the year ended 31.03.2012. The Revaluation of the year ended 31.012.2007 has resulted into a loss of Rs.14,79,06,784/- and the same has been debited to Profit & Loss Account and shown below the line as "Extra Ordinary Items". Similarly, the Revaluation of the year ended 31.03.2009 has resulted into a Profit of Rs.2,89,66,113/- and the same has been credited to Profit & Loss Account as "Profit on Revaluation of Assets" and shown below the line. So also, the Revaluation of the year ended 31.03.2012 has resulted into a Profit of Rs.12,15,19,764/- and the same has been credited to the Revaluation Reserve Account and shown in the Balance Sheet as at 31.03.2012 under the head, Reserves & Surplus. At the time of earlier revaluations carried out as on 31.12.2007 & 31.03.2009, the Gross Block was shown at Revalued Figures instead of Cost. Hence the same has been rectified in the year under consideration i.e. as at 31.03.2012 by replacing the Gross Cost of the Assets deducting the loss on revaluation and adding the profit on revaluation carried out as at 31.12.2007 & 31.03.2009 respectively. The difference of Rs.4,48,55,306/- between the under depreciation provided on reduced value of the said assets for the year commencing from 01.01.2008 to 31.03.2009 (i.e. for a period of 15 months) and the over depreciation provided on the increased value of the said assets has been debited to the Revaluation Reserve Account of the year under consideration viz. 31.03.2012.
3. The company has not ascertained liability towards payment of gratuity and hence no provision has been made in the accounts.
4. Debtors and Creditors balances are subject to confirmations from the parties.

## ANNUAL REPORT 2012-13

5. In the opinion of the Board of Directors the Current Assets, Loans & Advances except those shown as doubtful have a value on realisation in the ordinary course of business at least equal to the amount at which items are stated in the Balance Sheet.
6. The liability of Rs. 46,98,30,496.00/- was created in favour of Gayatri Pipes & Fittings Pvt. Ltd. As under:
  - 1). Rs. 26,70,72,939.00/- by debiting IDBI A/c for taking over it's liability on 31.03.2008.
  - 2). Rs. 20,27,57,557.00/- by debiting P/L A/c as Prior year adjustment on 20.03.2011.

During the Current year, the Company has transferred Rs. 26,70,72,939.00/- to General reserve as the said liability is waived by Gayatri Pipes & Fittings Pvt. Ltd. As per their Undertaking given to BIFR.

During the year, the Company has transferred Rs. 20,27,57,557/- to P/L A/c and shown under the head "Prior year Adjustment" as Gayatri Pipes & Fittings Pvt. Ltd. Has waived it as per their Undertakings given to BIFR.
7. Modvat credit of Excise duty taken on purchase of Raw Materials is not included in the value of inventory of Raw Material. Also value of inventory of finished goods does not include excise duty payable on manufacture. This has no effect on the profit of the Company.
8. Figures of the previous year have been re-grouped / rearranged /reclassified wherever necessary.

As per our Report of Even Date  
**For P. M. TURAKHIA & ASSOCIATES**  
Chartered Accountants

**M. D. Turakhia**  
Partner  
Membership No. : 017399

Place : Mumbai  
Dated : 30-05-2013

For **KUNSTSTOFFE INDUSTRIES LTD.**

On behalf of Board of Directors

Directors **PRAVIN SHETH**  
**S. C. ASNOTKAR**

Executive Director **SONIYA SHETH**

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **AUDITOR'S REPORT**

We have examined the above Cash Flow Statement of KUNSTSTOFFE INDUSTRIES LIMITED for the period ended 31st March, 2013. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 30-05-2013 to the members of the Company and reallocation required for the purpose are as made by the Company.

**For P. M. TURAKHIA & ASSOCIATES**

Chartered Accountants

**M. D. TURAKHIA**

Partner

**Membership No.:** 017399

Place: MUMBAI

Dated: 30-05-2013



## KUNSTSTOFFE INDUSTRIES LTD.

*Registered Office :*

REGD. OFF. : KIRAN BUILDING, 128 BHAUDAJI ROAD, MATUNGA (EAST), MUMBAI-400019.

### ATTENDANCE CARD

L.F. No.	
No. of Shares held	
Depository Account No.	

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company at Kiran Building, 128, Bhaudaji Road, Matunga (E), Mumbai-400 019, at 10-30 a.m. on Thursday 26th September, 2013.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS) \_\_\_\_\_

SIGNATURE OF THE SHAREHOLDER/PROXY\* \_\_\_\_\_

\*Strike out whichever is not applicable.

#### NOTES :

1. You are requested to sign and hand this over at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of yourself, the Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



## KUNSTSTOFFE INDUSTRIES LTD.

*Registered Office :*

REGD. OFF. : KIRAN BUILDING, 128 BHAUDAJI ROAD, MATUNGA (EAST), MUMBAI-400019.

### FORM OF PROXY

L.F. No.	
No. of Shares held	
Depository Account No.	

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

in the district of \_\_\_\_\_ being a member/members of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of the district of \_\_\_\_\_ as my/our Proxy to vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on Thursday 26th September, 2013 and at any adjournment thereof.

**Please  
affix Rs. 1.00  
Revenue  
Stamp**

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

**Signature**

#### NOTES :

1. The Proxy form must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting.
  2. This form must be used in  $\frac{\text{favour}}{\text{against}}$  of the resolution, unless against otherwise directed, the Proxy will vote at he/she thinks fit.
  3. Members who holds shares in the dematerialisation Form are requested to quote their Depository Account Number for identification.
- \* Strike out whichever is not applicable.



**BOOK-POST**

**To**

***If undelivered please return to:***

**SHAREX DYNAMIC (INDIA) PVT. LTD.,**

**Unit : Kunststoffe Industries Ltd.,**

**Luthra Industrial Premises,**

**Unit No. 1, Andheri-Kurla Road,**

**Safed Pool, Andheri (East)**

**MUMBAI - 400 072.**