

**KUNSTSTOFFE INDUSTRIES LTD.**

**30th Annual Report  
2015-16**

**KUNSTSTOFFE INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

Ms. SONIYA P. SHETH – Managing Director  
Mr. S. C. ASNOTKAR  
Mr. BHASKAR T. IYER  
Mr. S. CHACKO  
Mr. UJJWALKUMAR R. JHA  
Mr. RAJENDER SHARMA

**CHIEF FINANCIAL OFFICER**

Ms. DHWANI P. SHETH

**COMPANY SECRETARY**

Ms. PADMINI RAVINDRAN

**AUDITORS**

A. V. JOBANPUTRA & COMPANY  
Chartered Accountants, Mumbai

**SOLICITORS**

LITTLE & CO., MUMBAI  
DIVYAKANT MEHTA & ASSOCIATES, MUMBAI

**REGISTERED OFFICE**

Kiran Building 128, Bhaudaji Road,  
Matunga (E), Mumbai – 400 019  
Email – [kunststoffe@vsnl.net](mailto:kunststoffe@vsnl.net)  
Website - [www.kunststoffeindia.com](http://www.kunststoffeindia.com)

**BANKERS**

BANK OF BARODA, Matunga, Mumbai  
STATE BANK OF INDIA, Daman

**WORKS**

Airport Road,  
Kadaiya,  
Nani Daman,  
Daman (U.T.) 396 210.

**REGISTRARS & SHARE  
TRANSFER AGENTS**

SHAREX DYNAMIC (INDIA) PVT. LTD.,  
Unit No. 1, Luthra Industrial Premises, 1st Floor,  
Andheri-Kurla Road, Safed Pool, Andheri (East),  
Mumbai – 400 072

**NOTICE**

Notice is hereby given that the 30th Annual General Meeting of the Members of Kunststoffe Industries Limited will be held on Thursday, 29th day of September, 2016 at 10.00 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 Financial Statement of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To reappoint Ms. Soniya Sheth (DIN: 02658794) Managing Director who retires by rotation and being eligible offers herself for re-appointment.
3. To ratify the appointment of Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **OrdinaryResolution**:

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. A. V. Jobanputra & Co., Chartered Accountants (Registration No. 104314W) as an Auditor of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the auditor.”

By Order of the Board of Director  
For **Kunststoffe Industries Limited**

**Padmini Ravindran**  
Company Secretary

**Place: Mumbai**

**Date: 4th August, 2016.**

**Registered Office:**

Kiran Building,  
128 Bhaudaji Road,  
Matunga (East),  
Mumbai-400 019.

CIN: L65910MH1985PLC037998

e-mail:kunststoffe@vsnl.net

Website: www.kunststoffeindia.com

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Instrument of Proxy, in order to be effective should be deposited at the registered office of the Company, duly completed and signed, not less than 48 Hours before the commencement of the Meeting.
- A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. In terms of Section 152 of the Companies Act, 2013, Ms. Soniya Sheth (DIN: 02658794) Managing Director, retire by rotation at the Meeting and being eligible offer herself for re-appointment. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report.
4. M/s A. V. Jobanputra & Company Chartered Accountant (Registration No. 104314W) has been appointed as Statutory Auditor for 5 years in the 2014 AGM subject to ratification by the members at every AGM.
5. 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.
6. The Share Transfer Books and the Register of Members of the Company will remain close from 22/09/2016 to 29/09/2016 (both days inclusive).
7. 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.
8. 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.
9. 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.
10. 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.
11. 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 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.

12. In terms of provisions of section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. The shareholders who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's **Share Transfer Agent, M/s. Sharex Dynamic (India) Private Limited, Unit No.1, Luthra Industrial Premises, 1st Floor, Andheri-Kurla Road, Safed Pool, Andheri (East) Mumbai-400072** for nomination form quoting their folio number. Shareholders holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
13. 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 - 400001.  
The listing fee to the above exchange has been paid.
14. **Information and other instruction relating to e-voting are as under:**
- (i) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted vide notification dated March 19, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote at the Thirteenth Annual General Meeting of the Company by electronic means and the business may be transacted through e-voting services provided by CDSL.
  - (ii) For Members attending the Meeting who have not cast their vote by remote e-voting, the Company shall be making arrangements for the Members to cast their votes in respect to the business stated in this Notice through ballot form. The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
  - (iii) The Company has engaged the services of Central Depository Service Limited ("CDSL") as the Agency to provide e-voting facility.
  - (iv) The Board of Directors of the Company has appointed Ms. Kala Agarwal, Practicing Company Secretary, Mumbai as Scrutinizer to scrutinise the remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.
  - (v) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 22, 2016.
  - (vi) A person, whose name is recorded in the register of member or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 22, 2016 only shall be entitled to avail the facility of remote e-voting.
  - (vii) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on **Monday 26/09/2016 at 9.00 a.m.** and ends on **Wednesday 28/09/2016 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Thursday 22/09/2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

## KUNSTSTOFFE INDUSTRIES LTD.

(viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant KUNSTSTOFFE INDUSTRIES LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- I. At the Annual General Meeting at the end of the discussion of the Resolution on which voting is to be held, the chairman shall with the assistance of the Scrutiniser order voting for all those members who are present but have not cast their vote electronically using the Remote e-voting facility.
- II. A copy of this notice has been placed on the website of the Company and the website of CDSL.
- III. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes at the Annual General Meeting. The Scrutiniser shall not later than 48 hours of conclusion of the meeting, make a consolidated Scrutiniser’s report of the total votes cast in favour or against, if any to the Chairman or a person authorized by him in writing who shall countersign the same.
- IV. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.kunststoffeindia.com](http://www.kunststoffeindia.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.

By Order of the Board of Directors  
For **Kunststoffe Industries Limited**

**Padmini Ravindran**  
Company Secretary

**Place: Mumbai**  
**Date: 4th August, 2016**

**Registered Office:**  
Kiran Building,  
128, Bhaudaji Road, Matunga (East),  
Mumbai - 400 019  
CIN: L65910MH1985PLC037998  
e-mail: [kunststoffe@vsnl.net](mailto:kunststoffe@vsnl.net)  
Website: [www.kunststoffeindia.com](http://www.kunststoffeindia.com)

# KUNSTSTOFFE INDUSTRIES LTD.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report and Audited Financial Statements of the Company for the year ended 31st March 2016. The summarized financial results are given below:

### SUMMARISED FINANCIAL RESULTS:

(Rs. In Lakhs)

	2015-16	2014-15
Sales & other receipts	242.18	156.73
Gross Profit/(Loss) before depreciations	151.22	74.11
Less : Depreciation	105.22	0.10
Profit(Loss) from regular Activities	6.47	42.75
Extraordinary items	0	(14.15)
Profit /(Loss) before and After taxation	6.47	28.60
Add: Balance carried from earlier year	(3876.06)	(3904.66)
Balance carried forward to next year	(3869.60)	(3876.06)

### OPERATIONS:

During the year the sales turnover of the Company was Rs. 242.18 lakhs against Rs. 156.73 lakhs the sales of the previous year. Due to paucity of working capital facilities from Banks as Company was under rehabilitation process by BIFR, the company is doing only job-work. The rehabilitation scheme has been approved by the BIFR and the rehabilitation process has progressed well.

### DIVIDEND:

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

### COURSE OF BUSINESS AND OUTLOOK

The Management's Discussion and Analysis Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 is forming a part of this report and gives the state of affairs of the business of the Company. The performance of your Company improved in line with the business engineering work undertaken in the previous year.

### HEALTH, SAFETY AND ENVIRONMENT

Top priority continues to be given to environmental protection for all the units of the Company by keeping emission levels to the minimum possible. Adequate Insurance cover has been taken for properties of the Company including Buildings, Plant & Machineries, Stocks and other assets.

The report on Management's Discussion and Analysis includes observations on health, safety and environment compliances by the Company.

All Plant sites of the Company are environment regulations compliant.

### FIXED DEPOSITS:

Your Company has not accepted any fixed deposits from the Public under chapter V of the Companies Act, 2013 during the period under review.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are set out as follows.



**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.

**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.

**SEGMENT REPORTING UNDER ACCOUNTING STANDARDS 17:**

Your Company's main business is "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 and hence, the segment wise reporting as defined in Accounting Standards 17 is not applicable to the Company.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of your Company during the Financial Year ended 31st March, 2016.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION:**

No material changes and commitments, affecting the financial position of the Company occurred between the end of the Financial Year of the Company i.e. 31st March, 2016 and the date of this Directors' Report i.e. 4th August, 2016.

**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. As per Clause 'C' of Schedule V on Annual Report pursuant to Regulations 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. Infuture, the Company intends to implement the non-mandatory recommendations, as prescribed in Code of Corporate Governance.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

(Including criteria for determining qualification, positive attributes, independence of a Director, policy relating to remuneration for Directors, Key Managerial Personnel and other employees)

Policy on Directors' Appointment

Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Emphasis is given to persons from diverse fields or professions.

**Policy on Remuneration**

Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that –

- Remuneration to unionized workmen is based on the periodical settlement with the workmen union.
- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen (non Unionised) is industry driven in which it is operating taking into account the performance leverage and factors such as to attract and retain quality talent.

## **KUNSTSTOFFE INDUSTRIES LTD.**

- For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

### **ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The results of the evaluation are satisfactory and adequate and meet the requirement of the Company.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Soniya P. Sheth retires by rotation and being eligible offers herself for reappointment. Mr. Rajender Sharma has been appointed as additional Director of the Company w.e.f. 01/08/2015. The Company has received a notice in writing from a member proposing his candidature for appointment as an Independent Director. Your Directors recommend that re-appointment of Mr. Rajender Sharma as Independent Director will be in the interest of the Company.

During the year, the Board has noted the appointment of Ms. Soniya P. Sheth as Managing Director and appointment of Mr. Rajender Sharma as Independent Directors of the Company.

#### **DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS**

Pursuant to Section 149(7) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in Section 149(6) of the Act and the same has been taken on record by the Board of Directors of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirements of Section 134(1)(c) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under:

- ❖ That in the preparation of the accounts for the financial period ended 31st March, 2016, 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, 2013 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, 2016 on a 'going concern' basis.
- ❖ The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- ❖ The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **NUMBER OF MEETINGS OF THE BOARD:**

Six meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance in the Annual Report.

### **DETAILS OF COMMITTEE OF DIRECTORS:**

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholders Relationship/ Grievance Committee of Directors, Number of meetings held of each Committee during the financial year 2015-16 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report forming part of the report.

All the recommendations made by the Audit Committee were accepted by the Board.

### **PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY:**

There is no transaction with Related Party which requires disclosure under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

There were no Material Related party transaction(s) made with the Company's promoters, Directors, Key Managerial Personnel or their relatives as specified under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions are placed before the Audit Committee for their prior approval. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website: [www.kunststoffeindia.com](http://www.kunststoffeindia.com).

Since all the transaction with Related Parties entered during the Financial Year 2015-16 by the Company, were in its ordinary course of business and on arm's length basis FORM AOC- 2 is not applicable to the Company.

### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:**

There is no Loan given, investment made, guarantees given and securities provided by the Company to any entity under Section 186 of the Companies Act, 2013.

### **INTERNAL FINANCIAL CONTROLS**

The Company is having in place Internal Financial Controls System. The Internal Financial Controls with reference to the financial statements were adequate and operating effectively.

### **RISK MANAGEMENT**

During the year, Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. A Group Risk Management Policy was reviewed and approved by the Committee.

The Company manages monitors and reports on the principle risks and uncertainties that can impact its ability to achieve its strategic objectives.

### **VIGIL MECHANISM:**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link:[www.kunststoffeindia.com](http://www.kunststoffeindia.com).

### **CORPORATE SOCIAL RESPONSIBILITY:**

The Company has already constituted Corporate Social Responsibility Committee. As per Section 135 of the Companies Act, 2013, the Company needs to spend 2% of Average net profit of last three years on CSR activities. The Average net profit of last three years of Company is negative therefore your Company need not require to spend any amount on CSR Activity.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **EXTRACT OF ANNUAL RETURN:**

Pursuant to the provision of Section 134(3) (a) and 92(3) of the Companies Act, 2013 read along with Rule 12 of the Companies ((Management & Administration) Rules 2014, an extract of Annual Return as of 31st March 2016 in Form No. MGT-9 is annexed herewith as Annexure II to this Report.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules should be provided in the Annual Reports. None of the Company's employees were covered by the disclosure requirement.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as **Annexure I**.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.

### **DEPOSITORY SYSTEM:**

Electronic trading of the Company's Equity Shares has been made compulsory by the Securities & Exchange Board of India (SEBI) from 30th October, 2000. As on 31st March, 2016, about 76.00 % share holding representing 5242273 Equity Shares of the Company have been dematerialized. Your Company has executed agreements with both NSDL and CDSL for demat of its shares.

### **AUDITORS AND AUDITORS' REPORT:**

The retiring Auditor, M/s. A.V. Jobanputra & Co., Chartered Accountant, Mumbai, is eligible for re-appointment and has indicated their willingness to act as such. In terms of Section 139 of the Companies Act, 2013, their appointment needs to be confirmed and their remuneration has to be fixed.

The company has received letter from auditor to the effect that his re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The notes on financial statement referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation. The Auditor's Report does not contain any qualification, reservation or adverse remark.

### **SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read along with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Ms. Kala Agarwal, Company Secretaries (CP No. 5356) as Secretarial Auditor, for the year ending 31st march, 2016. The Secretarial Audit Report contains Qualifications, Reservation and explanations which are self explanatory.

The Secretarial Auditor has submitted its Report in Form No. MR-3 for the Financial Year ended 31st march, 2016 and the same is set out in "Annexure III, forming part of this Report.

### **GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

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3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **ACKNOWLEDGEMENT**

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

On behalf of the Board  
**For Kunststoffe Industries Limited**

**Soniya P. Sheth**  
Managing Director

Place: Mumbai  
Date: 4th August, 2016  
Registered Office:  
Kiran Building,  
128, Bhaudaji Road,  
Matunga (East),  
Mumbai - 400 019  
CIN: L65910MH1985PLC037998  
e-mail:kunststoffe@vsnl.net

# KUNSTSTOFFE INDUSTRIES LTD.

## Annexure I

### STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT 2013/ READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2016

1. Ratio of remuneration of each Director to median remuneration of the employees of the Company for the financial year

Sr. No.	Name of the Director	Ratio of remuneration of Director to median remuneration of employees	
		2015-16	2014-15
1.	Ms. Soniya P. Sheth	5.46 : 1	5.87 : 1

2. Percentage increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary:

Sr. No.	Name of the Director / KMP	Designation	Percentage Increase (%)	
			2015-16	2014-15
1.	Ms. Soniya P. Sheth	Managing Director	10	33.33
2.	Ms. Dhvani P. Sheth	Chief Financial Officer	N.A.	N.A.
3.	Ms. Padmini Ravindran	Company Secretary	Nil	N.A.

3. Number of permanent employees on the rolls of the Company as on 31st March, 2016 was 14Nos. and as on 31st March, 2015 was 12 Nos.
4. There is no variable component of remuneration to the Directors.
5. No employee has received remuneration in excess of highest paid Director of the Company during the Financial Year 2015-16.
6. a) Financial Performance of the Company [See Note 6 (b)(i)]

Description	(Rs/Lacs)	
	2015-16	2014-15
Profit Before Tax	6.47	28.60

- b) Remuneration to employees and directors of the Company is in line with remuneration policy of the Company as per competitive market scenario and sustainability in the medium to longrun.

Sr. No.	Description	Percentage increase (%)	
		2015-16	2014-15
1.	Median Remuneration of employees	79.60	9.17
2.	Average Remuneration of all employees (See Note i & ii)	19.35	17.51
3.	Remuneration of Key Managerial Personnel (See Note i & ii)	10.00	33.33
4.	Average increase in salaries of the employees other than Managerial Personnel*	18.05	10.95
5.	Managerial Remuneration	10.00	33.33
6.	Remuneration of each Key Managerial Personnel (See Note i & ii)		
	Ms. Soniya Sheth	10.00	33.33
	Ms. Padmini Ravindran	0	N.A.
	Ms. Dhvani Sheth	N.A.	N.A.

**Note:**

- i) During the year the sales turnover of the Company was Rs. 242.18 lakhs against Rs.156.73Lakhs the sales of the previous year. Due to paucity of working capital facilities from Banks as Company was under rehabilitation process by BIFR, the company is doing only job-work. Since the company has come out of BIFR, it has started marketing directly and it will work soon so the profitability and prospects will improve.
  - ii) There is no direct relationship between average increase in the remuneration of employees and Key Managerial Personnel with year to financial performance of the Company.
  - iii) For computing average increase in remuneration, only employees who have worked for the complete Financial Year 14-15& 15- 16 have been considered to make the figures comparable.
7. Variations in market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

- i. Variations in market capitalization during the Financial Year 2015-16 of the Company:

<b>Increase in (Rs/Lacs)</b>	<b>Percentage Increase (%)</b>
744.12	168.75

- ii. Price Earnings Ratio

<b>Description</b>	<b>As on 31/03/2016</b>	<b>As on 31/03/2015</b>
Price Earnings Ratio	191.11	15.24

- iii. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last public offer (in the year 1992 at par):

Percentage Increase from last FPO: 72.00

# KUNSTSTOFFE INDUSTRIES LTD.

## Annexure II

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31/03/2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- |  |    |  |
|--|----|--|
| i) CIN   | :- | L65910MH1985PLC037998  |
| ii) Registration Date  | :- | 06/11/1985   |
| iii) Name of the Company   | :- | KUNSTSTOFFE INDUSTRIES LTD   |
| iv) Category / Sub-Category of the Company                                     | :- | Company limited by shares /<br>Indian Non-Government Company   |
| v) Address of the Registered office and contact details                        | :- | Kiran Building, 128 Bhaudaji Road, Matunga (E),<br>Mumbai-400 019<br>Tel.No:-022-2408 2689/90<br>Fax No:-022-2404 4853<br>Website:-www.kunststoffeindia.com<br>Email:-kunststoffe@vsnl.net   |
| vi) Whether listed company   | :- | Yes / No   |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | :- | M/s. Sharex Dynamic India Pvt. Ltd.<br>Unit 1, Luthra Industrial Premises,<br>Safed Pool, Andheri Kurla Road,<br>Andheri (East), Mumbai-400 072.<br>Tel. No. 28515606/44,<br>Fax No. 022-28512885<br>Email Id:sharexindia@vsnl.com |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: As per Attachment A

All the business activities contributing 10% or more of the total turnover of the company shall be stated

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND: As per Attachment B ASSOCIATE COMPANIES

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

- |  |                     |
|--|---------------------|
| i) Category-wise Share Holding:  | As per Attachment C |
| ii) Shareholding of Promoters:   | As per Attachment D |
| iii) Change in Promoters' Shareholding: (please specify, if there is no change)                                  | As per Attachment E |
| iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs) | As per Attachment F |
| v) Shareholding of Directors and Key Managerial Personnel  | As per Attachment G |

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/  
accrued but not due for payment As per Attachment H



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:	As per Attachment I
B. Remuneration to other directors:	As per Attachment J
C. Remuneration to key managerial personnel Other than md/ manager/wtd:	As per Attachment K

**VII. PENALTIES / PUNISHMENT /COMPOUNDINGOF: OFFENCES**

As per Attachment L

**Attachment A**

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	HDPE / PP Large Diameter Pipes and Tanks, etc.(Labour charges)	60300	100%

**Attachment B**

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sl.No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
		NIL			

**Attachment C**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category of Shareholders	No. of Share held at the beginning of the year 01/04/2015				No. of Share held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1626231	0	1626231	23.603	1627891	0	1627891	23.627	0.024
b) Central Govt									
c) State Govt (s)	0	0	0		0	0	0		0
d) Bodies Corp.	1008088	0	1008088	14.631	1008088	0	1008088	14.631	0
e) Bank / FI	0	0	0		0	0	0		0
f) Any Other....		0				0			0
<b>Sub-total (A) (1):-</b>	<b>2634319</b>	<b>0</b>	<b>2634319</b>	<b>38.234</b>	<b>2635979</b>	<b>0</b>	<b>2635979</b>	<b>38.258</b>	<b>0.024</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0		0	0	0		0
b) Other Individual									
c) Bodies Corp.	0	0	0		0	0	0		0
d) Bank / FI	0	0	0		0	0	0		0
e) Any Other....	0	0	0		0	0	0		0

## KUNSTSTOFFE INDUSTRIES LTD.

Category of Shareholders	No. of Share held at the beginning of the year 01/04/2015				No. of Share held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of promoter (A) = (A) (1)+(A)(2)</b>	<b>2634319</b>	<b>0</b>	<b>2634319</b>	<b>38.234</b>	<b>2635979</b>	<b>0</b>	<b>2635979</b>	<b>38.258</b>	<b>0.024</b>
<b>(B) (1) PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds	0	158440	158440	2.3	0	158440	158440	2.3	0
(b). Banks / FI	0	0	0	0	0	0	0	0	0
(c). Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	0	0	0	0	0	0	0	0
(e). Venture Capital	0	0	0	0	0	0	0	0	0
(f). Insurance	0	0	0	0	0	0	0	0	0
(g). FIs	0	59460	59460	0.863	0	59460	59460	0.863	0
(h). Foreign Venture	0	0	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>217900</b>	<b>217900</b>	<b>3.163</b>	<b>0</b>	<b>217900</b>	<b>217900</b>	<b>3.163</b>	<b>0</b>
<b>2. Non-Institutions</b>									
<b>(a). BODIES CORP.</b>									
(i). Indian	1360496	65920	1426416	20.703	1218910	65900	1284810	18.647	-2.056
(ii). Overseas	0	0	0	0	0	0	0	0	0
<b>(b). Individual</b>									
(i). Individual shareholders holding nominal share capital uptoRs. 1 lakh	738479	1086951	1825430	26.494	702333	1070847	1773180	25.736	-0.758
(ii). Individual shareholders holding nominal share capital in excess of Rs.1 lakh	422361	110600	532961	7.735	596296	110600	706896	10.26	2.525
<b>(c). Other (specify)</b>									
Non Resident Indians	65374	187500	252874	3.67	64234	186940	251174	3.645	-0.025
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals	0	0	0		0	0	0		0
Clearing Members	100	0	100	0.001	20061	0	20061	0.291	0.29
Trusts	0	0	0		0	0	0		0
Foreign Bodies – D R	0	0	0		0	0	0		0
<b>Sub-total (B)(2):-</b>	<b>2586810</b>	<b>1450971</b>	<b>4037781</b>	<b>58.603</b>	<b>2601834</b>	<b>1434287</b>	<b>4036121</b>	<b>58.579</b>	<b>-0.024</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>2586810</b>	<b>1668871</b>	<b>4255681</b>	<b>61.766</b>	<b>2601834</b>	<b>1652187</b>	<b>4254021</b>	<b>61.742</b>	<b>-0.024</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>5221129</b>	<b>1668871</b>	<b>6890000</b>	<b>100.00</b>	<b>5237813</b>	<b>1652187</b>	<b>6890000</b>	<b>100.00</b>	<b>0.00</b>

Attachment D

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the year 31/03/2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Hargovind Karsandas Vithalani	44480	0.646	0	63640	0.924	0	0.278
2	Hargovind Karsandas Vithalani HUF	18000	0.261	0	0	0.000	0	-0.261
3	Bharat Capital and Holdings Limited	1008088	14.631	0	1008088	14.631	0	0
4	Bhavesh P. Sheth	2800	0.041	0	2800	0.041	0	0
5	Pravin V. Sheth	979399	14.215	0	979399	14.215	0	0
6	Unnati P. Sheth	271372	3.939	0	271872	3.946	0	0.007
7	Dhwani P. Sheth	310180	4.502	0	310180	4.502	0	0
	<b>Total</b>	<b>2634319</b>	<b>38.235</b>	<b>0</b>	<b>2635979</b>	<b>38.259</b>	<b>0</b>	<b>0.024</b>

Attachment E

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year 31/03/2016			
		No. of shares at the beginning (01/04/2015) / end of the year (31/03/2016)	% of total shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Share	% of total Shares of the company
1	Hargovind Karsandas Vithalani (HUF)	18000	0.261	01/04/2015				
				11/09/2015	-447	Transfer	17553	0.255
				18/09/2015	-2200	Transfer	15353	0.223
				16/10/2015	-100	Transfer	15253	0.221
				11/12/2015	-2000	Transfer	13253	0.192
				18/12/2015	-7000	Transfer	6253	0.091
		25/12/2015	-6253	Transfer	0	0		
	-Closing Balance			31/03/2016				0
2	Hargovind Karsandas Vithalani	44480	0.646	01/04/2015				
				19/06/2015	-1000	Transfer	43480	0.631
				31/03/2016	20160	Transfer	63640	0.924
	-Closing Balance\			31/03/2016				
3	Unnati Pravin Sheth	271372	3.939	01/04/2015				
				05/06/2015	500	Transfer	271872	3.946
				31/03/2016			271872	3.946
	-Closing Balance			31/03/2016				

# KUNSTSTOFFE INDUSTRIES LTD.

## Attachment F

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning (01/04/2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company end of the year 31/03/2016
1	SBI CAP MKTS LTD A/C IMF NVM FUND	68480	0.994	01/04/2015				
	-Closing Balance			31/03/2016			68480	0.994
2	SBI CAP MKTS LTD A/C IMF NVM FUND	60680	0.881	01/04/2015				
	-Closing Balance			31/03/2016			60680	0.881
3	PARLE (EXPORTS) LIMITED	53160	0.772	01/04/2015				
	-Closing Balance			31/03/2016			53160	0.772
4	BHARAT EQUITY SERVICE LTD	572281	8.306	01/04/2015				
				12/06/2015	-1001	Transfer	571280	8.291
				19/06/2015	-2010	Transfer	569270	8.262
				26/06/2015	-4000	Transfer	565270	8.204
				17/07/2015	-1594	Transfer	563676	8.181
				24/07/2015	-34900	Transfer	528776	7.675
				31/07/2015	-500	Transfer	525276	7.667
				14/08/2015	-5687	Transfer	522589	7.585
				21/08/2015	-3094	Transfer	519495	7.54
				06/11/2015	-220	Transfer	519275	7.537
				13/11/2015	-25570	Transfer	493705	7.166
				25/12/2015	60	Transfer	493765	7.166
				31/12/2015	-2660	Transfer	491105	7.128
				08/01/2016	-1500	Transfer	489605	7.106
				15/01/2016	-2076	Transfer	487529	7.076
				29/01/2016	-135	Transfer	487394	7.074
				11/03/2016	-4000	Transfer	483394	7.016
				18/03/2016	-876	Transfer	482518	7.003
	-Closing Balance			31/03/2016			482518	7.003
5	GAYATRI PIPES AND FITTINGS PRIVATE LTD	650000	9.434	01/04/2015				
	-Closing Balance			31/03/2016			650000	9.434

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Sl. No.	Name	Shareholding at the beginning (01/04/2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company end of the year 31/03/2016
6	TATA INVESTMENT CORPORATION	24120	0.35	01/04/2015				
	-Closing Balance			31/03/2016			24120	0.35
7	SULOCHNADEVI ANILKUMAR AGARWAL	206725	3	01/04/2015				
				01/05/2015	1005	Transfer	207730	3.015
				05/06/2015	5060	Transfer	212790	3.088
				12/06/2015	5240	Transfer	218030	3.164
				19/06/2015	4000	Transfer	222030	3.222
				10/07/2015	1849	Transfer	223879	3.249
				17/07/2015	3900	Transfer	227779	3.306
				24/07/2015	-66580	Transfer	161199	2.34
				31/07/2015	5838	Transfer	167037	2.424
				07/08/2015	-7214	Transfer	159823	2.32
				14/08/2015	-2572	Transfer	157251	2.282
				21/08/2015	-1000	Transfer	156251	2.268
				04/09/2015	-200	Transfer	156051	2.265
				09/10/2015	350	Transfer	156401	2.27
				23/10/2015	594	Transfer	156995	2.279
				30/10/2015	650	Transfer	157645	2.288
				06/11/2015	1480	Transfer	159125	2.31
				11/12/2015	80	Transfer	159205	2.311
				31/12/2015	15633	Transfer	174838	2.538
				08/01/2016	1080	Transfer	175918	2.553
				15/01/2016	3450	Transfer	179368	2.603
				22/01/2016	2874	Transfer	182242	2.645
				29/01/2016	4602	Transfer	186844	2.712
				05/02/2016	1700	Transfer	188544	2.736
	-Closing Balance			31/03/2016	-49950	Transfer	138594	2.012
8	BISHWA DHAR JAYAL	36790	0.534	01/04/2015				
	-Closing Balance			31/03/2016			36790	0.534
9	PUNAM PATNI	40190	0.583	01/04/2015				
	-Closing Balance			31/03/2016			40190	0.583
10	JAYESH CHOTALAL SHAH	28200	0.409	01/04/2015				
	-Closing Balance			31/03/2016			28200	0.409

# KUNSTSTOFFE INDUSTRIES LTD.

## Attachment G

### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01/04/2015		Date wise Increase/ Decrease in Shareholding during the year		Cumulative Shareholding during the year		Shareholding at the beginning of the year 31/03/2016	
		No. of shares	% of total shares of the company	No. of shares	Date wise Increase / Decrease & Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shivanand C. Asnotkar	600	0.009	-	-	600	0.009	600	0.009
2	Soniya P. Sheth	9688	0.141	8128	05/06/2015	17816	0.259	17816	0.259
				95480	24/07/2015	113296	1.644	113296	1.644
				10229	14/08/2015	123525	1.793	123525	1.793
				4660	21/08/2015	128185	1.86	128185	1.86
				4200	28/08/2015	132385	1.921	132385	1.921
				10359	04/09/2015	142744	2.072	142744	2.072
				1000	13/11/2015	143744	2.086	143744	2.086
				26166	04/12/2015	169910	2.466	169910	2.466
				2350	18/03/2016	172260	2.5	172260	2.5
				56305	31/03/2016	228565	3.317	228565	3.317
	Closing Balance					228565	3.32	228565	3.32
3	Dhwani P. Sheth	310180	4.50	-	-	310180	4.50	310180	4.50

## Attachment H

### v. INDEBTENDNESS

#### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	100,00,000.00	-	-	100,00,000.00
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	100,00,000.00	-	-	100,00,000.00
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
. Addition	-	-	-	-
. Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## Attachment I

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Soniya. P. Sheth - MD	-	-	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,296,333.00	-	-	1,296,333.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	217,055.00	-	-	217,055.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify . . .	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	1,513,388.00	-	-	1,513,388.00
	Ceiling as per the Act	# Not workable due to Loss / Inadequate Profit			

# Due to Loss / Inadequate Profit, Remuneration to Ms. Soniya P. Sheth paid as per Schedule V of the Act.

## Attachment J

## B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		S. C. Asnotkar	Bhaskar T. Iyer	S. Chacko	U. R. Jha	Rajender Sharma	
1.	Independent Directors						
	. Fee for attending board / committee meetings	-	-	-	-	-	-
	. Commission	-	-	-	-	-	-
	. Others, please specify (Conveyance)	6000	6000	6000	6000	3000	27000
	<b>Total (1)</b>	6000	6000	6000	6000	3000	27000
2.	Other Non-Executive Directors						
	. Fee for attending board / committee meetings	-	-	-	-	-	-
	. Commission	-	-	-	-	-	-
	. Others, please specify (Conveyance)	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	6000	6000	6000	6000	3000	27000
	<b>Total Managerial Remuneration</b>						
	Overall Ceiling as per the Act	# Not workable due to Loss / Inadequate Profit					

# KUNSTSTOFFE INDUSTRIES LTD.

## Attachment K

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO N.A.	Company Secretary Ms. Padmini Ravindran	CFO Ms. Dhvani P. Sheth	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	185,000.00	367,000.00	552,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	36,600.00	48,112.00	84,712.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify. . .	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>221,600.00</b>	<b>415,112.00</b>	<b>636,712.00</b>

## Attachment L

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of PENALTY / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			--NIL--		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			--NIL--		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			--NIL--		
Compounding					



**Annexure III**

**FORM NO. MR- 3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**KUNSTSTOFFE INDUSTRIES LTD**

Kiran Building, 128, Bhaudaji Road,

Matunga, Mumbai-400019.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Kunststoffe Industries Ltd. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company 's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Kunststoffe Industries Ltd. for the financial year ended on 31st March, 2016 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws specifically applicable to the Company, namely;
  - 1. Factories Act, 1948
  - 2. Industrial Disputes Act, 1947

## **KUNSTSTOFFE INDUSTRIES LTD.**

3. Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. Employees' State Insurance Act, 1948
6. The Payment of Bonus Act, 1965
7. Payment of Gratuity Act, 1972
8. The Child Labour (Prohibition and Regulation) Act, 1986
9. The Industrial Employment (Standing Orders) Act, 1946
10. The Employees' Compensation Act, 1923 (earlier known as Workmen's Compensation Act, 1923)
11. Equal Remuneration Act, 1976
12. The Environment (Protection) Act, 1986
13. The Environment (Protection) Rules, 1986
14. Income Tax Act, 1961
15. Service Tax Rules, 1994
16. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
17. The Employee Provident Fund And Miscellaneous Provision Act, 1952
18. The Trade Union Act, 1926.

The management of the Company has informed us that other than the Acts as mentioned above, there is no industry specific law which is applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with The Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

1. During the year, there were changes in the number of shares held by the promoters and top ten shareholders. However, pursuant to Section 93 of the Companies Act, 2013 read with Rule 13 of The Companies (Management and Administration) Rules, 2014, the Company is yet to file the return stating the necessary changes in Form MGT-10.
2. The disclosures under Regulation 30(1) and 30(2) of SEBI (SAST) Regulations, 2011 was not filed in proper due time with the Stock Exchange for the year ended 31st March, 2015 and 31st March, 2016.

### **We further report that,**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: 04/08/2016  
Place: Mumbai

**KALA AGARWAL**  
Practising Company Secretary  
COP No.: 5356

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**‘ANNEXURE A’**

To,  
The Members,  
**KUNSTSTOFFE INDUSTRIES LTD**  
Kiran Building, 128, Bhaudaji Road,  
Matunga, Mumbai-400019

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 04/08/2016  
Place: Mumbai

**KALA AGARWAL**  
Practising Company Secretary  
COP No.: 5356

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **INDUSTRY- STRUCTURE AND DEVELOPMENT:**

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 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 year 2015-16 has been progressive and it is hoped to scale greater heights.

#### **BUSINESS OUTLOOK:**

The Management's Discussion and Analysis Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 is forming a part of this report and gives the state of affairs of the business of the Company. The performance of your Company improved in line with the business work undertaken in the previous year.

#### **OPPORTUNITIES AND THREATS :**

The Company's products depend on the growth of the Global economy and rise in the purchasing power of the population. Lack of Govt. backing, frequent policy change, changes in raw material prices are major constrains. In view of the anticipated growth in the demand for the products of the company in the years to come, opportunities for the company to improve its performance is bright.

#### **RISK MANAGEMENT**

Risk Management is an important business aspect in the current economic environment and its objective is to identify, monitor and take mitigation measures on a timely basis in respect of the events that may pose risks for the business.

The Company has a robust Risk Management Policy and Procedure in place for effective identification and monitoring of risks and implementation of mitigation plans. The Risk Management Committee reviews and monitors the identified risks and mitigation plans at regular interval. Some of the risks identified and analysed by the Management are as under:

The Audit Committee and the Board are apprised of the significant risks and mitigation efforts made by the Management in its quarterly meetings.

#### **SEGMENT REPORTING UNDER ACCOUNTING STANDARDS 17:**

Your Company's main business is "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 and hence, the segment wise reporting as defined in Accounting Standards 17 is not applicable to the Company.

#### **HUMAN / INDUSTRIAL RELATIONS:**

Since the very inception of the company, the industrial relation aspect of the company has been very cordial at all locations of the company. The Company believes that manpower is the most valuable primary resource for the growth of the organization. Therefore the company has recruited competent managerial personnel and taken steps for strengthening their efficiency and competency, through their involvement in the company's development and by installation of effective system for improving productivity.

The Number of permanent employees on the rolls of the Company as on 31st March, 2016 was 14 Nos. as against 12 Nos. on 31st March, 2015.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

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. Apart from self monitoring of internal controls, Internal Auditors have expressed their satisfaction about the adequacy of the control systems and the manner in which the Company is updating / upgrading its systems and procedures.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

**Highlights:**

**(Rs. In Lakhs)**

	<b>2015-16</b>	<b>2014-15</b>
Sales & other receipts	242.18	156.73
Gross Profit/(Loss) before depreciations	151.22	74.11
Less : Depreciation	105.22	0.10
Profit(Loss) from regular Activities	6.47	42.75
Extraordinary items	0	(14.15)
Profit /(Loss)before and After taxation	6.47	28.60
Earning Per Share	0.09	0.42

During the year the sales turnover of the Company was Rs. 242.18 lakhs against Rs.156.73 lakhs the sales of the previous year. Due to paucity of working capital facilities from Banks as Company was under rehabilitation process by BIFR, the company is doing only job-work.

**CAUTIONARY STATEMENT:**

Statement in this report on management 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 and supply conditions, finished goods prices, raw material costs and 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.

The 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.

On behalf of the Board

**Soniya P. Sheth**  
Managing Director

Place: Mumbai  
Date: 4th August, 2016

**Registered Office:**

Kiran Building, 128, Bhaudaji Road,  
Matunga (East), Mumbai - 400 019  
CIN: L65910MH1985PLC037998  
e-mail:kunststoffe@vsnl.net

# 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

- ❖ Composition of Board of Directors

The Board of Directors comprises of six members, consisting of five Non-Executive & Independent Directors and one Woman Director who is a Managing Director and responsible for the day to day management of the Company. The Board of Directors of the Company consists of eminent persons with considerable professional experience and expertise in respective fields. The composition is as under:-

Name of the Director	Designation	Category	Status	No. of shares held in the Company	No. of outside Directorship in Public Limited Companies*	Membership held in Committee of Directors#	Chairmanship held in Committee of Directors#
Ms. Soniya P. Sheth	Mg.Director	Executive	Non-Independent	228565	1	0	0
Mr. S. C. Asnotkar	Director	Non-Executive	Independent	600	0	0	0
Mr. Bhaskar T. Iyer	Director	Non-Executive	Independent	0	0	0	0
Mr. UjjwalKumarJha	Director	Non-Executive	Independent	0	0	0	0
Mr. S. Chacko	Director	Non-Executive	Independent	0	0	0	0
Mr. Rajender Sharma	Director	Non-Executive	Independent	0	0	0	0

\* This excludes directorship held in Private Companies, Foreign Companies, Companies formed under Section 8 of the Companies Act, 2013 and directorship held in Kunststoffe Industries Limited.

# Membership/Chairmanship in committee of Directors includes Audit Committee and Shareholders' Relationship/Grievance Committee of Directors only. This does not include membership/Chairmanship in Committee of Directors of Kunststoffe Industries Limited.

During the year, six 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.

### Directors' Profile:

Mrs. Soniya P. Sheth Age: 31 years, Qualification: M.A., Nature of Expertise: She is Interior Decorator, Investment consultant & Dynamic professional also having good marketing experience. Name of Company in which she holds Directorship: 1) Kunststoffe Industries Limited 2)M/s. Stallion Breweries Ltd. 3) Chemical & Alkali Distributors Ltd., 4) M/s. Bharat Capital & Holdings Ltd., 5) M/s Gayatri Pipes & Fittings Pvt. Ltd. 6) Fiberweb (India) Ltd. No. of shares 228565.

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Mr. S. Chacko, Age: 61 years, Qualification: B.Com. Mech. Engineer. Nature of expertise: He is Mechanical Engineer and has about 27 years of experience in the field of plastic processing & manufacturing. Name of Companies in which he holds Directorship/Membership/Chairmanship: None. No. of Shares - NIL.

Mr. Ujjwalkumar R. Jha, Age: 50 years, Qualification :B.Com. ICWA(Inter) Nature of expertise: He has 22 years experience in Auditing, Accounting and Finance. Name of the Companies in which he holds Directorship/ Chairmanship/Membership: Chairman of Stakeholders relationship committee, Audit committee & Nomination & Remuneration Committee of Kunststoffe Industries Ltd. No. of Shares - NIL.

Name: Mr. S. C. Asnotkar Age: 87 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: Member of Stakeholders relationship committee, Audit committee and Nomination & Remuneration Committee. No. of Shares - 600 shares.

Mr. Bhaskar T. Iyer Age: 52 years, Qualification: B.Com. from Bombay University, Nature of expertise: Vast business experience, particularly in field of marketing, good administrator. Name of the Companies in which he holds directorship: 1) AM Realty Pvt. Ltd. 2)AM Holidays & Travels Pvt Ltd. 3) AM Hygiene (International)P. Ltd. 4) AM Realtors Pvt Ltd., 5) Kunststoffe Industries Ltd., 6) AM Entertainment & Broadcasting Pvt. Ltd. Name of companies in which he hold Membership: Member of share transfer cum stakeholder relationship committee, Audit committee, Nomination& Remuneration Committee of Kunststoffe Industries Ltd. No. of Shares - NIL.

Mr. Rajender J. Sharma Age: 62 years, Qualification: B.A. He has vast experience of accounts & admin work. Name of companies in which he holds Directorship/ Chairmanship/ Membership: None. No. of Shares - NIL.

❖ **Number of Board Meetings and Attendance Record of each Director**

(i) Six Meetings of the Board of Directors were held during the year ended 31st March, 2016. these were held on :-

- |                        |                         |                         |
|------------------------|-------------------------|-------------------------|
| (1) 30th April, 2015   | (2) 30th May, 2015      | (3) 30th July, 2015     |
| (4) 5th November, 2015 | (5) 16th November, 2015 | (6) 12th February, 2016 |

(ii) The attendance record of each of the Directors at the Board Meetings during the yearended 31st March, 2016 and of the last Annual General Meeting is as under:-

Directors	No. of Board Meeting held	No. of Board Meeting attended	Attendance at Last AGM
Ms. Soniya P. Sheth	6	6	Yes
Mr. S. C. Asnotkar	6	6	Yes
Mr. Bhaskar T. Iyer	6	6	Yes
Mr. S. Chacko	6	6	Yes
Mr. Ujjwalkumar R. Jha	6	6	Yes
Mr. Rajender Sharma *	3	3	N.A.

\*Mr. Rajender Sharma appointed as a Non-Executive & Independent Director w.e.f.30/07/2015.

### **Meeting of Independent Directors and Attendance Record**

Independent Directors to meet atleast once in a year to deal with matters listed out in Regulation 25 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013 which inter-alia includes, review the performance of non-independent directors, chairman and the Board as a whole and assess quality and quantity of flow of information between the Management and the Board that is necessary to perform the duties by the Board of Directors.

The terms and conditions of appointment of independent directors is also available on the Company website at [www.kunststoffeindia.com](http://www.kunststoffeindia.com)

## KUNSTSTOFFE INDUSTRIES LTD.

### Attendance Record of Meetings of Independent Directors

Name of the Director	Number of Meetings held	Number of Meetings attended
Mr. U. R. Jha	1	1
Mr. S. Chacko	1	1
Mr. Bhaskar T. Iyer	1	1
Mr. S. C. Asnotkar	1	1
Mr. Rajender Sharma	1	1

### Familiarization Programme for Independent Directors

The Company conducts familiarization programmes for Independent Directors with regard to their roles, rights and responsibilities in the Company etc. Details of familiarization programmes extended to the Independent Directors during the year are disclosed on the Company Website at [www.kunststoffeindia.com](http://www.kunststoffeindia.com)

### Directors' Interest in the Company

Sometimes, the Company do enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

### Audit Committee

The committee's composition and terms of reference are in compliance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess requisite qualifications.

The Audit Committee comprising of Mr. U. R. Jha (Chairman of the Committee), Mr. S. C. Asnotkar and Mr. Bhaskar T. Iyer who are all Independent Non-Executive Directors. During the financial year 2015-16 Four Audit Committee Meetings were held on 20th April, 2015, 29th July, 2015, 04th October, 2015 and 11th February, 2016.

The Composition & Attendance of Audit Committee is as follows:

Name of the Director	Designation	No. of Committee Meetings held	No. of Committee Meetings attended
Mr. U. R. Jha	Chairman	4	4
Mr. S.C. Asnotkar	Member	4	4
Mr. Bhaskar T. Iyer	Member	4	4

At the invitation of the Company, Managing Director, Statutory Auditors, Internal Auditor, Accounts Manager and Chief Financial Officer also attended the meeting to answer and clarify queries raised at the Committee meetings.

The Company Secretary of the Company acts as the Secretary to the Committee.

The Chairman of Audit committee was present at 29th Annual General Meeting of the Company held on 29th September, 2015.

### Terms of Reference of Audit Committee inter alia include the following

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- (2) Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company
- (3) Approval of payment to statutory auditors, including cost auditors, for any other services rendered by them
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:



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- (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements
  - (f) Disclosure of any related party transactions; and
  - (g) Qualifications/ Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - (6) Monitoring and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, and so on), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
  - (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (8) Approval or any subsequent modification of transactions of the Company with related parties
  - (9) Scrutiny of inter-corporate loans and investments
  - (10) Valuation of undertakings or assets of the Company, wherever it is necessary
  - (11) Evaluation of internal financial controls and risk management systems
  - (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (13) Reviewing with the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - (14) Discussion with internal auditors of any significant findings and follow-up thereon;
  - (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
  - (17) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - (18) To review the functioning of the whistle blower mechanism;
  - (19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B. The audit committee shall mandatorily review the following information:

- (1) The Management Discussion and Analysis of financial condition and results of operations
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor.

## KUNSTSTOFFE INDUSTRIES LTD.

### Nomination and Remuneration Committee of Directors

The Committee's composition and term of reference are in compliance with provisions of the Companies Act, 2013, Regulations 19 of the Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.

The role of the committee is to perform all such matters as prescribed which inter alia includes – recommendation to Board of Directors remuneration policy for the Company, appointment of Director, appointment and remuneration of Whole-time Director and Key Managerial Personnel. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors. The Committee has formulated a guiding policy on remuneration for its Directors, Key Managerial Personnel and employees of the Company.

The Board has constituted the Nomination and Remuneration Committee of Independent Directors, consisting of Mr. U.R. Jha Chairman, Mr. S. C. Asnotkar and Mr. Bhaskar T. Iyer. During the financial year 2016-5-16 Four Committee Meetings were held on 20th April, 2015, 29th July, 2015, 04th October, 2015 and 11th February, 2016 and all members of the Committee attended all meeting.

Terms of Reference of Nomination and Remuneration Committee inter alia include the following

- (1) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of directors a policy relating to, the remuneration for the Directors, Key Managerial Personnel and other employees;
- (2) To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (3) To devise a policy on diversity of Board of Directors;
- (4) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- (5) To consider extension or continuation of term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.

### Performance Evaluation criteria of Independent Directors

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

### Details of Remuneration paid

#### Executive Directors

Details of remuneration paid/payable to the Directors for the year ended on 31st March, 2016 (01-04-2015 to 31-03-2016) is as follows:

Name	Position held During the year	Salary & Allowances	Perquisites	Total Remuneration
Ms. Soniya P. Sheth	Managing Director	Rs.1296333/-	Rs.217055/-	Rs.1513388/-

There is no performance linked incentives, stock option and pension. The employment is on contractual basis and subject to termination by either party giving to other party three month's notice.

#### Non-executive & Independent Directors

No remuneration was paid to non-executive directors and also no sitting fee was paid to the non-executive directors during the year for attending the Board and Committee Meetings.

#### Board Procedures

The members of the Board have been provided with the requisite information mentioned in the Listing Regulations 2015, well before the Board Meetings and the same were dealt with appropriately. All the Directors who are on various committees are within permissible limits of the Listing Regulations 2015.

**Stakeholders Relationship / Grievance Committee**

In terms of the requirements under the provisions of Section 178 of the Companies Act, 2013 and Rules made there under and Regulation 20 read along with Paragraph B of part D of Schedule II of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company had re-constituted "Stakeholders Relationship/Grievance Committee" in place of erstwhile "Shareholders' / Investors' Grievances and Share Transfer Committee", under the Chairmanship of Non-Executive Director to monitor and review investor' grievances including complaint related to transfer of shares, non-receipt of Financial Statements, non-receipt of declared Dividends, to approve share transfer / transmission / transposition of shares / consolidation of folios and to approve issue of duplicate / fresh share certificates on account of requests for duplicate / split / consolidation.

The Committee consisting of non executive directors of which Mr. U. R. Jha is the Chairman and the members of the Committee are Mr. S.C. Asnotkar and Mr. Bhaskar T. Iyer. Ms. Padmini Ravindran, Company Secretary, is the Compliance Officer.

During the year the Company had received 15 investor complaints. A status report of shareholders complaints and redressal thereof is prepared and placed before Stakeholders Relationship/Grievance Committee of Directors. The number of pending complaints at the close of they ear were nil. There were no share transfer pending for registration for more than 15 days. The Committee met 11 times during the year.

The Committee consists of three Directors and the attendance of each committee member is as under:

<b>Name of the Committee Member</b>	<b>No. of Meeting held</b>	<b>No. of Meeting attended</b>
Mr. U. R. Jha	11	11
Mr. S.C. Asnotkar	11	11
Mr. Bhaskar T. Iyer	11	11

Status of Shareholders'/Investors' Complaints for the period 01/04/2015 to 31/03/2016

<b>Nature of Complaint</b>	<b>No. of Complaints received</b>	<b>No. of Complaints resolved</b>	<b>No. of pending complaints</b>
Non-Receipt of Shares (Reduction)	10	10	NIL
Non-Receipt of Shares (Transfer)	1	1	NIL
Non-Receipt of Shares/ Dividends/ Rights/ Bonus Shares.	4	4	NIL
<b>Total</b>	<b>15</b>	<b>15</b>	<b>NIL</b>

There is no complaint not solved to the satisfaction of shareholders.

The Secretary of the Company is to act as the Compliance Officer.

The shareholders/investors can send shares related complaints, if any, through e-mail-id kunststoffe@vsnl.net designated for this purpose.

**Corporate Social Responsibility Committee:**

The Board of constituted Corporate Social Responsibility Committee. This committee comprises of following 4 directors of the company: Mrs. Soniya P. Sheth Managing Director and Mr. Ujjwal R. Jha, Mr. S.C. Asnotkar and Mr. Bhaskar T. Iyer all three non-executive independent directors.

All the members of Corporate Social Responsibility Committee mentioned above have good knowledge and exposure to utilize the company's resources towards its corporate social responsibility.

The Role of the Committee is to formulate and recommend to the Board, a corporate social responsibility policy, recommend the amount of expenditure to be incurred on CSR Projects and Programmes and monitor them.

As per Section 135 of the Companies Act, 2013, the Company needs to spend 2% of Average net profit of last three

## KUNSTSTOFFE INDUSTRIES LTD.

years on CSR activities. The Average net profit of last three years of Company is negative therefore your Company need not require to spend any amount on CSR Activity.

The Committee consists of four Directors and the attendance of each committee member is as under:

Name of the Committee Member	No. of Meeting held	No. of Meeting attended
Mrs. Soniya P. Sheth	4	4
Mr. Ujjwal R. Jha	4	4
Mr. S.C. Asnotkar	4	4
Mr. Bhaskar T. Iyer	4	4

### Sexual Harassment Committee:

(a) Constitution

The Board has constituted the Sexual Harassment Committee.

(b) Composition

The Sexual Harassment Committee was comprised of following 2 Directors of the company Ms. Soniya P. Sheth, Managing Director and Mr. S. C. Asnotkar independent director and one independent person Ms. Dhvani Sheth as a member.

(c) Power of Sexual Harassment Committee:

The committee is authorized to exercise all powers for compliance of the sexual harassment for women at work place (prevention), prohibition and redressal) Act 2013.

### Risk Management Committee:

**The composition of the Risk Management Committee (RMC) is as under:**

Name of Director	Status
Ms. Soniya P. Sheth	Executive – Non-Independent Director
Mr. Shivanand C. Asnotkar	Non-Executive – Independent Director
Mr. Bhaskar T. Iyer	Non-Executive – Independent Director

The Committee has adopted a policy on Risk management to assess and determine the risks and potential threats to the Company.

**The Role of Risk Management Committee is as under:**

- To identify, assess and mitigate the existing as well as potential risks to the Company and to recommend the strategies to the Board to overcome them;
- To develop and implement action plans to mitigate the risks;
- To oversee at such intervals as may be necessary, the adequacy of Company's resources to perform its risk management responsibilities and achieve its objectives;
- To review on a half-yearly basis the Company's performance against the identified risks of the Company;
- To formulate the strategies towards identifying any areas that may materially affect the Company's overall risk exposure and to review the Risk Management Policy;
- To regularly review the risk management framework for the operations of the Company that are deemed necessary; and
- To perform such other activities related to this Policy as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.

### Compliance Certificate:

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

**General Body Meetings:**

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

AGM	Day	Date	Time	Venue
27th	Thursday	26-09-2013	10.30 a.m.	KiranBldg, 128 Bhaudaji Road, Matunga (E) Mumbai-400 0019.
28th	Monday	29-09-2014	10.00 a.m.	KiranBldg, 128 Bhaudaji Road, Matunga (E) Mumbai-400 0019.
29th	Tuesday	29-09-2015	10.00 a.m.	KiranBldg, 128 Bhaudaji Road, Matunga (E) Mumbai-400 0019.

- ❖ In the 28th Annual General Meeting held on 29/09/2014, a special resolution was passed for Adoption of New Articles of Association.
- ❖ Whether special resolutions were put through postal ballot last year? No
- ❖ Are special resolutions proposed to be put through postal ballot this year? No

**Means of Communication:**

- ❖ The Board takes on record the unaudited quarterly financial results in the prescribed proforma of the stock exchanges within stipulated time of 45 days from 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 [www.kunststoffeindia.com](http://www.kunststoffeindia.com).
- ❖ 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.
- ❖ Official press release, if any, is placed on the Company’s Website and sent to Stock Exchanges for dissemination.
- ❖ Management Discussion and Analysis Report has been included in the Directors’ Report.

**General Shareholders Informations**

The required information is provided in “Shareholders information” Section.

**Other Disclosures**

**Related Party Transaction**

- ❖ There have been no transactions of material nature between the Company and its promoters, directors, management, their subsidiaries or relatives etc.

**Policy on materially significant related party transactions:**

- There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Attention is drawn to Note 3 to the Financial Statements for disclosure of related parties.
- The Company has formulated policy on dealing with related party transactions. This policy has been hosted on the Company’s websites at [www.kunststoffeindia.com](http://www.kunststoffeindia.com)

Any Non-compliance, Penalties or Strictures Imposed

- ❖ The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/ stricture was imposed on the Company during the last three years.

- ❖ Policy on determination of materially of event or information:

In accordance with the requirement of the Listing Regulations, the Company has formulated a policy on

## KUNSTSTOFFE INDUSTRIES LTD.

determination of materiality of event or information which is available on the Company's website at [www.kunststoffeindia.com](http://www.kunststoffeindia.com).

### ❖ Policy for Preservation of Documents:

The Company has framed a Record Management Policy for preservation of documents. This Policy prescribes the nature of Documents and the period for which the same should be preserved. The archival Policy which forms part of this policy, is hosted on the Company website at [www.kunststoffeindia.com](http://www.kunststoffeindia.com).

### ❖ Policy for Prohibition of Insider Trading:

In line with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted a code of Conduct for prohibition of insider trading duly approved by the Board of Directors. The objective of the policy is to ensure the prohibition of insider trading practices in the Company. Ms. Padmini Ravindran, Company Secretary, is the Compliance Officer for the purpose of this policy. This policy has been hosted on the Company website at [www.kunststoffeindia.com](http://www.kunststoffeindia.com).

### ❖ The Company has adopted a Code of Conduct for its Directors, Senior Management and employees of the Company. This Code of Conduct has been communicated to each of them. A certificate from Ms. Soniya P. Sheth Managing Director, to this effect has been obtained. The Policy for the same is available on Company's website: [www.kunststoffeindia.com](http://www.kunststoffeindia.com).

### **Vigil Mechanism:**

Your Company has an effective Vigil Mechanism system which is embedded in its Code of Conduct. The Code of Conduct of your Company serves as a guide for daily business interactions, reflecting your Company's standard for appropriate behaviour and living corporate values. The Code of Conduct applies to all Company people, including Directors, Officers, and all employees of the Company. Even your Company vendors and suppliers are also subject to these requirements as adherence to the Code is a prerequisite for conducting business with your Company. The Vigil Mechanism is available on the Company website: [www.kunststoffeindia.com](http://www.kunststoffeindia.com).

### **Whistle Blower policy:**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. The Policy provides adequate safeguard against victimisation of director(s) / employee(s) who raise the concern and have access to the Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism and that no person has been denied access to Audit Committee. Policy is available on the website of the Company [www.kunststoffeindia.com](http://www.kunststoffeindia.com).

## **GENERAL SHAREHOLDER INFORMATION**

### **Company's Registration No.**

: CIN: L65910MH1985PLC037998

### **Date,time and venue of 30th AGM**

: Thursday, 29th Sept. 2016 at 10.00a.m.  
at Kiran Building, 128, Bhaudaji Road,  
Matunga (E), Mumbai-400 019.

### **Financial Year**

: 1st April to 31st March

### **Financial Calender**

Financial reporting for the quarter ending 30th June, 2015 : On or before 14th August 2015

Financial reporting for the quarter ending 30th September, 2015 : On or before 14th Nov. 2015

Financial reporting for the quarter ending 31st December, 2015 : On or before 14th February 2016

Financial reporting for the quarter ending 31st March, 2016 : On or before 30th May, 2016

<b>Dates of Book Closure</b>	: 23/09/ 2016 to 29/09/2016 (both days inclusive)
<b>Listing on Stock Exchanges</b>	: Bombay Stock Exchange Ltd Mumbai
<b>Listing Fees</b>	: Paid for above stock exchange as per the Listing Regulations
<b>Demat Arrangement</b>	: With NSDL and CDSL
<b>ISIN No.</b>	: INE 638D01021
<b>BSE Stock Code</b>	: 523594
<b>Registered Office</b>	: Registered Office:Kiran Building , (Address for correspondenece) 128, Bhaudaji Road, Matunga (East),Mumbai – 400 019. Tel No. 022-24082689/90 Fax No.022-24044853
<b>Company's E-Mail ID</b>	: kunststoffe@vsnl.net
<b>Company's Website</b>	: www.kunststoffeindia.com
<b>WORKS (Plant location)</b>	: Airport Road,Kadaiya, Nani Daman,Daman (U.T.) 396 210.
<b>Registrar &amp; Share Transfer Agents</b>	: 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, Fax No.022-2851 2885 Email: sharexindia@vsnl.com

**Share Transfer System**

The power to approve the transfer of securities has been delegated by the Board to the Share Transfer Agents. Share transfer requests are processed within fifteen (15) days from the date of receipt.

**Compliance Officer** : Mrs. PadminiRavindran Company Secretary

**Stock Data: High and Low prices at BSE**

Month	High(Rs.)	Low(Rs.)
April 2015	8.50	7.40
May 2015	11.34	8.60
June 2015	11.50	9.27
July 2015	14.40	9.93
August 2015	14.60	12.65
September 2015	13.90	9.71
October 2015	12.00	9.23
November 2015	13.18	11.38
December 2015	15.12	11.21
January 2016	19.40	14.35
February 2016	18.50	16.70
March 2016	19.40	15.75

Source: www.bseindia.com

## KUNSTSTOFFE INDUSTRIES LTD.

### Distribution of Shareholding as on 31st March, 2016:

Category of Shareholder	Number of Shareholders	Percentage of (A+B+C)	Total Number of shares held
(A) Shareholding of Promoters & Promoter Group			
(1) Indian	6	38.26	2635979
(2) Foreign	0	0.00	0
<b>Total shareholding of Promoter &amp; Promoter Group</b>	<b>6</b>	<b>38.26</b>	<b>2635979</b>
(B) Public Shareholding			
(1) Institutions	10	3.16	217900
(2) Non - Institutions.	14330	58.58	4036121
<b>Total Public Shareholding</b>	<b>14340</b>	<b>61.74</b>	<b>4254021</b>
(C) Shares held by custodians	0	0.00	0
<b>Total (A)+(B)+(C)</b>	<b>14346</b>	<b>100.00</b>	<b>6890000</b>

### Distribution of Shareholding as on 31st March, 2016:

No. of Equity Shares	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
(both days inclusive)	10330	72.01	550612	7.99
101-200	2489	17.35	392040	5.69
201-500	1012	7.05	327861	4.76
501-1000	272	1.90	197151	2.86
1001-5000	176	1.23	377505	5.48
5001-10000	29	0.20	225627	3.27
10001-100000	30	0.21	749988	10.89
100001- and above	8	0.06	4069216	59.06
<b>Total</b>	<b>14346</b>	<b>100.00</b>	<b>6890000</b>	<b>100.00</b>

### 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, 2016 about 76.00% share holding representing 5242273 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.

### Outstanding GDRs/ADRs/Warrants or any convertible instruments

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

### Foreign Exchange Risk & Hedging activities

Since the Company has no Import / Export activity, it has no Foreign Exchange risk& Hedging activity.

### Disclosures

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

### Discretionary Requirements

#### The Board

At present, there is no separate office in the Company for use of Chairman nor any expenditure reimbursed in performance of his duty.



**Shareholders Rights**

Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company.

**Audit Qualification**

There is no Audit Qualification. Every endeavor is made to make the financial statements without qualification.

**Separate posts of Chairman and Chief Executive Officer**

The Chairman of the Company is a Non-Executive Director. A separate person is the Managing Director of the Company.

**Reporting of Internal Auditors**

Reports of Internal Auditors are placed before the Audit Committee for its review.

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**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, 2016 with the relevant records and documents maintained & furnished to us by the Company and as approved by the Board of Directors as stipulated in Clause 49 of the Listing Agreement of the said Company with relevant Stock Exchange (upto 30th November 2015) / Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015(effective from 1st December 2015).
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. 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 the Listing Agreement with relevant Stock Exchanges / the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

**For A. V. Jobanputra & Co.**  
Chartered Accountants

**A. V. Jobanputra**  
Proprietor  
Membership No: 016352

Place: Mumbai

Date: 4th August, 2016

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**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

All the members of the Board and Seniors Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2016.

Place: Mumbai

Date: 4th August, 2016

**Soniya P. Sheth**  
(Managing Director)

# **KUNSTSTOFFE INDUSTRIES LTD.**

## **INDEPENDENT AUDITOR'S REPORT**

To

The Members

**KUNSTSTOFFE INDUSTRIES LIMITED**

Mumbai

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of KUNSTSTOFFE INDUSTRIES LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year on that date, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act and other applicable authoritative pronouncements issued by the institute of Chartered Accountants of India. Those Standards require that we comply with 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 internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and subject to Note nos. 20, 21, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ('The Order') issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by sub section 3 of Section 143 of the Act, we report that:
  - a) We have sought and 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, the 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR A. V. Jobanputra & Co.**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104314W  
**A. V. Jobanputra**  
PROPRIETOR  
(MEMBERSHIP NO : 016352)

Place:- Mumbai  
Date:- 04.08.2016

## KUNSTSTOFFE INDUSTRIES LTD.

### Annexure A

The Annexure A referred to in Para 1 – Report on Other Legal Regulatory Requirements of our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification;
- (c) In our opinion and according to the information and explanations given to us, substantial part of the fixed assets has not been disposed off by the company, during the year;
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company;
- ii) As the company has not purchased / sold goods during the year nor is there any opening stock, requirement of reporting on physical verification of stock or maintenance of inventory records, in our opinion, does not arise;
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013;
- iv) The Company has not given loans, or made investments, or given guarantees and provided security in terms of provisions of section 185 and 186 of The Companies Act, 2013.
- v) The Company has not accepted deposits and hence the directives issued by the Reserve Bank of India and the provisions of the sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not required to be complied with by the Company.
- vi) We have been informed that the Company is not required to maintain cost record under sub-section (1) of section 148 of the Companies Act,2013.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, custom Duty, service tax, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities and no undisputed amounts payable were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable
- (b) According to the information and explanations given to us, there are no disputed amounts of income tax, sales tax, custom duty, service tax or value added tax which have not been deposited with the concerned authorities;
- viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to a bank. The Company has not obtained any borrowing from any financial institutions, Government or by way of debentures;
- ix) On the basis of records examined by us and the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer during the year
- x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid managerial remuneration as per Section 197 read with Schedule V to the Companies Act,2013.
- xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly paragraph 3(12) is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details of the same have been disclosed in the financial statements as

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required by the applicable accounting standards;

- xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly paragraph 3(15) of the order is not applicable.
- xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India, 1934.

**FOR A. V. Jobanputra & Co.**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104314W

**A. V. Jobanputra**  
PROPRIETOR  
(MEMBERSHIP NO : 016352)

Place:- Mumbai  
Date:- 04.08.2016

# KUNSTSTOFFE INDUSTRIES LTD.

## Annexure B

The Annexure B referred to in Para 2(f) - Report on other Regulatory requirements of our Independent Auditor's Report to the Members of the Company on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the act") for the year ended 31st March, 2016

We have audited the internal financial controls over financial reporting of FIBERWEB (INDIA) LIMITED ("the company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial Reporting issued by the institute of Chartered Accountants of India." These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors. The accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit in accordance with the Guidance Note on Audit of internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles. And that receipts and expenditures of the company are being made only in accordance with authorities of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management overrides of controls, materials misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become

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inadequate because of changes in conditions, or that the degree of compliance with the policies or procedure may deteriorate.

### Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR A. V. Jobanputra & Co.**  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 104314W

**A. V. Jobanputra**  
PROPRIETOR  
(MEMBERSHIP NO : 016352)

Place:- Mumbai  
Date:- 04/08/2016

# KUNSTSTOFFE INDUSTRIES LTD.

Balance Sheet as at 31 March, 2016

Particulars		Note No.	As at	As at
			31 March, 2016	31 March, 2015
			₹	₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	68,900,000	68,900,000
	(b) Reserves and surplus	2	47,037,028	46,389,410
			115,937,028	115,289,410
<b>2</b>	<b>Share application money pending allotment</b>		-	-
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	-	10,000,000
			-	10,000,000
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term provisions	4	307,561	307,980
	(b) Trade payables	5	610,874	1,374,031
	(c) Other current liabilities	6	44,588	54,810
			963,023	1,736,821
	<b>TOTAL</b>		<b>116,900,051</b>	<b>127,026,231</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets - Tangible assets	12	107,006,613	117,490,422
	(b) Long Term Loans and Advances	7	632,214	451,350
			107,638,827	117,941,772
<b>2</b>	<b>Current assets</b>			
	(a) Trade receivables	8	5,780,755	4,995,813
	(b) Cash and cash equivalents	9	475,947	1,070,259
	(c) Short-term loans and advances	10	2,986,523	3,000,387
	(d) Other current assets	11	18,000	18,000
			9,261,224	9,084,459
	<b>TOTAL</b>		<b>116,900,051</b>	<b>127,026,231</b>
<b>The accompanying notes 1 to 21 are an integral part of the financial statements.</b>				

As per our report of even date

For and on behalf of the Board of Directors

For A.V.Jobanputra & Co.

Chartered Accountants

Firm Registration No: 104314W

Dhwani P Sheth

Chief Finance Officer

Soniya P. Sheth

Managing Director

A.V.Jobanputra

Proprietor

Membership No. 016352

Padmini Ravindran

Company Secretary

S. Chacko

Director

U. K. Jha

Director

Place : Mumbai

Date : 04.08.2016

Place : Mumbai

Date :04.08.2016



## Statement of Profit and Loss for the year ended 31 March, 2016

Particulars		Note No.	For the year ended	For the year ended
			31 March, 2016	31 March, 2015
			₹	₹
<b>A</b>	<b>INCOME</b>			
1	Revenue from operations (gross)	13	24,218,024	15,672,945
2	Other income	14	264,339	280,372
3	<b>Total Income (1+2)</b>		<b>24,482,363</b>	<b>15,953,317.00</b>
<b>B</b>	<b>EXPENSES</b>			
	<b>Employee benefits expense</b>	15	5,162,206	4,320,298
	Depreciation and amortisation expense	12	10,521,858	10,021
	Other expenses	16	8,151,730	7,348,419
4	<b>Total expenses</b>		<b>23,835,794</b>	<b>11,678,738</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>646,569</b>	<b>4,274,579</b>
6	Exceptional Income	17	-	-1,414,780
7	<b>Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		646,569	2,859,799
8	Extraordinary items		-	-
9	<b>Profit / (Loss) before tax (7 + 8)</b>		<b>646,569</b>	<b>2,859,799</b>
10	Tax expense:			
	Current tax expense		-	-
	Deferred tax		-	-
11	<b>Profit / (Loss) after tax for the Year (9 - 10)</b>		646,569	2,859,799
12	<b>Earning per equity share of nominal value of ₹10/- each</b>	18		
	Basic and Diluted (Before extraordinary item)		0.09	0.42
	Basic and Diluted (After extraordinary item)		N.A.	N.A.

The accompanying notes 1 to 21 are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For A.V.Jobanputra & Co.

Chartered Accountants

Firm Registration No: 104314W

Dhwani P Sheth

Chief Finance Officer

Soniya P. Sheth

Managing Director

A.V.Jobanputra

Proprietor

Membership No. 016352

Padmini Ravindran

Company Secretary

S. Chacko

Director

U. K. Jha

Director

Place : Mumbai

Date : 04.08.2016

Place : Mumbai

Date :04.08.2016

# KUNSTSTOFFE INDUSTRIES LTD.

## Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		646,569		2,859,799
Adjustments for:				
Depreciation and amortisation	10,521,858		10,021	
Rental Income From Properties	(240,000)		(240,000)	
Loss on Sale/Discardment of Fixed Assets	-		1,414,780	
Interest income	(24,339)	10,257,519	(40,372)	1,144,429
Operating profit / (loss) before working capital changes		10,904,088		4,004,228
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(784,942)		640,522	
Short-term loans and advances	13,864		(48,013)	
Long-term loans and advances	(180,864)		308,024	
Other current assets	-	(951,942)	-	900,533
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(763,157)		637,557	
Other current liabilities	(10,222)		(52,417)	
Short-term provisions	(419)	(773,798)	94,870	680,010
Cash Generated from Operations		9,178,349		5,584,771
Interest Paid		-		-
Cash Before Extraordinary Items		9,178,349		5,584,771
Cash flow from extraordinary items		-		-
Cash generated from operations		9,178,349		5,584,771
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>9,178,349</b>		<b>5,584,771</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances		(37,000)		700,000
Proceeds from sale of fixed assets		-		-
Loans realised				
- Others		-		-
Interest received				
- Others		24,339		40,372
Other non-operating income comprises:				
Rental income from investment properties	240,000		240,000	
Commission Received	-	240,000	-	240,000
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>227,339</b>		<b>980,372</b>
<b>C. Cash flow from financing activities</b>				
Share application money received / (refunded)		-		-
Repayment of amount borrowed		(10,000,000)		(6,800,000)
Capital Reduction Expenses		-		-
Finance cost		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(10,000,000)</b>		<b>(6,800,000)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(594,313)</b>		<b>(234,857)</b>
Cash and cash equivalents at the beginning of the year		1,070,259		1,305,117
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
<b>Cash and cash equivalents at the end of the year</b>		<b>475,947</b>		<b>1,070,260</b>

As per our report of even date

For and on behalf of the Board of Directors

For A.V.Jobanputra & Co.

Chartered Accountants  
Firm Registration No: 104314W

Dhwani P Sheth  
Chief Finance Officer

Soniya P. Sheth  
Managing Director

A.V.Jobanputra  
Proprietor  
Membership No. 016352  
Place : Mumbai  
Date : 04.08.2016

Padmini Ravindran  
Company Secretary  
Place : Mumbai  
Date : 04.08.2016

S. Chacko  
Director

U. K. Jha  
Director

## Notes forming part of the financial statements

Note 1: Share capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of `10/- each with voting rights	15,000,000	150,000,000	15,000,000	150,000,000
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity shares of `10/- each with voting rights	6,890,000	68,900,000	6,890,000	68,900,000
<b>Total</b>	<b>6,890,000</b>	<b>68,900,000</b>	<b>6,890,000</b>	<b>68,900,000</b>

**Footnotes:**

(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year	As at 31 March, 2016	As at 31 March, 2015
	Nos.	Nos.
<b>Number of shares at the beginning of the year</b>	6,890,000	6,890,000
<u>Add/(Less):</u>		
Issued during the year	-	-
Capital Reduction during the year	-	-
Buyback during the year	-	-
<b>Number of shares at the end of the year</b>	<b>6,890,000</b>	<b>6,890,000</b>

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Nos.	% holding	Nos.	% holding
<b><u>Equity shares with voting rights</u></b>				
Pravin V Sheth	979,399	14.22	979,399	14.22
<u>Bharat Equity Services Ltd</u>	482,518	7.00	581,866	8.45
Gayatri Pipes & Fittings Pvt .Limited	650,000	9.43	650,000	9.43
Bharat Capital & Holdings Limited	1,008,088	14.63	1,008,088	14.63

**(iii) Terms / rights attached to Equity Shares :**

The Company has a single class of equity shares having at par value of `10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

# KUNSTSTOFFE INDUSTRIES LTD.

## Note 2: Reserves and surplus

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b>(a) Securities premium account</b>	19,750,000	19,750,000
<b>(b) Revaluation Reserve</b>		
Opening balance	76,664,458	76,664,458
Add: Additions during the year	1,049	-
Closing balance	76,665,507	76,664,458
<b>(c) General reserve</b>		
Opening balance	267,072,939	267,072,939
Add: Additions during the year	-	-
Closing balance	267,072,939	267,072,939
<b>(d) Capital reduction reserve</b>		
Opening balance	70,508,254	70,508,254
Add: Additions during the year	-	-
Less: Capital reduction expenses	-	-
Closing balance	70,508,254	70,508,254
<b>(e) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(387,606,241)	(390,466,040)
Add: Profit / (Loss) for the year	646,569	2,859,799
Closing balance	(386,959,672)	(387,606,241)
<b>Total</b>	<b>47,037,028</b>	<b>46,389,410</b>

## Note: 3-Long term borrowings

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b>a) Term loans (Secured) (Refer footnote)</b>		
From related party	-	10,000,000
	-	10,000,000

### Disclosures under AS 18

#### Related party transactions

#### Details of related parties:

Description of relationship	Name of related parties
<b>Key Management Personnel (KMP)</b>	Soniya Sheth
<b>Relatives of KMP</b>	
Daughter	Dhwani Sheth
Common Director-Soniya Sheth	Stallion Breweries Ltd
Common Director-Soniya Sheth	Gayatri Pipes & Fittings pvt. Ltd.

Note: Related parties have been identified by the management and relied upon by the auditors.

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Details of related party transactions during the year:	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b><u>Remuneration &amp; Perquisites</u></b>		
Soniya Sheth	1,291,333	1,143,333
<b><u>Rent Paid</u></b>		
Soniya Sheth	-	48,000
Dhwani Sheth	72,000	72,000
<b><u>Term Loan from related party</u></b>		
Gayatri Pipes & Fittngs Pvt Limited	-	10,000,000

### Note-4-Short term provision

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b><u>Provision for employees benefit</u></b>	307,561	307,980

### Note 5: Trade payables

Particulars	Current Year	Previous Year
	₹	₹
<b><u>Trade payables**</u></b>		
Creditors for Goods	341,334	-
Creditors for Expenses	269,540	1,374,031
<b>Total</b>	<b>610,874</b>	<b>1,374,031</b>

\*\* Trade payables in above Note includes ` NIL (P.Y. ` NIL) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

### Note 6: Other current liabilities

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Other payables		
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	44,588	54,810
<b>Total</b>	<b>44,588</b>	<b>54,810</b>

### Note 7: Long Term Advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b>(Secured, considered good)</b>		
<u>(a) Advances</u>		
To related parties (Refer footnote to Note 3)	5,000	5,000
<b>(Unsecured, considered good)</b>		
<u>(a) Advances</u>		
To other parties	100,000	100,000
(b) Prepaid Expenses	17,967	-
(c) Other loans and advances		
To employees	-	8,000
(d) Balances with government authorities		
TDS - A.Y. 2015-16	-	338,350
A.Y. 2016-17	509,247	-
<b>Total</b>	<b>632,214</b>	<b>451,350</b>

## KUNSTSTOFFE INDUSTRIES LTD.

### Note 8: Trade receivables

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b>Trade receivables (Unsecured, considered good)</b>		
<u>Outstanding for a period NOT exceeding six months from the date they were due for payment</u>	5,780,755	4,995,813
<b>Total</b>	<b>5,780,755</b>	<b>4,995,813</b>

### Note 9: Cash and cash equivalents

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
(a) Cash on hand	25,652	619,655
- Daman	24,306	399,686
- Mumbai	1,346	219,969
(b) Balances with banks		
In current accounts	450,295	450,604
- Bank of Baroda	5,038	5,038
- BOB/M - 05800200000478	222,418	27,560
- CITI Bank - 0841981006	-	-
- Goa Bank, Daman - 00251010000280	8,477	8,507
- SBI -Daman - 10246331861	214,362	409,499
<b>Total</b>	<b>475,947</b>	<b>1,070,259</b>

### Note 10: Short-term loans and advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b><u>Unsecured, considered good</u></b>		
(a) Prepaid expenses	-	15,992
(b) Balances with government authorities		
(i) CENVAT credit	2,293,717	2,293,717
(ii) Service Tax credit	527,678	527,678
(iii) VAT Refundable	2,128	-
(c) Security Deposit - Others	163,000	163,000
<b>Total</b>	<b>2,986,523</b>	<b>3,000,387</b>

### Note 11: Other current assets

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b><u>(a) Others</u></b>		
Rent Receivable	18,000	18,000
<b>Total</b>	<b>18,000</b>	<b>18,000</b>

## Notes-12

Tangible assets	Gross block				Accumulated depreciation and impairment					Net block		
	Balance as at 1 April, 2015	Additions	Disposals	Other adjustments	Balance as at 31 March, 2016	Balance as at 1 April, 2015	Depreciation for the year	Eliminated on disposal of assets	Other-Adjustments	Balance as at 31 March, 2016	Balance as at 31 March, 2016	Balance as at 31 March, 2015
(a) Freehold Land	₹ 24,000,000	-	-	-	₹ 24,000,000	-	-	-	-	-	₹ 24,000,000	₹ 24,000,000
(b) Buildings	12,501,730	(1,881)	-	-	12,499,849	3,953,611	961,875	-	-	4,915,486	7,584,363	8,548,119
(c) Plant and Equipment	214,448,673	2,930	-	-	214,451,603	129,523,243	9,553,781	-	-	139,077,024	75,374,579	84,925,430
(d) Furniture and Fixtures	144,275	-	-	-	144,275	144,275	-	-	-	144,275	-	-
(e) Office equipment	434,118	-	-	-	434,118	434,118	-	-	-	434,118	-	-
(f) Computer	211,439	37,000	-	-	248,439	194,566	6,202	-	-	200,768	47,671	16,873
Total	251,740,235	38,049	-	-	251,778,284	134,249,813	10,521,858	-	-	144,771,671	107,006,613	117,490,422
Previous Year	254,513,244	-	2,773,009	-	251,740,235	134,898,022	10,021	511,211	147,019	134,249,813	117,490,422	119,615,222

# KUNSTSTOFFE INDUSTRIES LTD.

## Notes forming part of the financial statements

Footnote:					
(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	Years				
	31 March, 2016	31 March, 2015	31 March, 2014	31 March, 2013	31 March, 2012
	₹	₹	₹	₹	₹
<b>FREE HOLD LAND</b>					
Opening balance	24,000,000	24,000,000	24,000,000	24,000,000	15,000,000
Added on revaluation	-	-	-	-	9,000,000
Closing balance	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
<b>FACTORY BUILDINGS</b>					
Opening balance	8,851,556	8,851,556	8,851,556	9,084,998	7,106,316
Written off on revaluation	-	-	-	233,442	254,341
Added on revaluation	-	-	-	-	2,233,023
Closing balance	8,851,556	8,851,556	8,851,556	8,851,556	9,084,998
<b>PLANT &amp; MACHINERY - 1</b>					
Opening balance	118,632,808	118,632,808	118,632,808	124,577,523	15,112,327
Written off on revaluation	-	-	-	5,944,715	821,545
Added on revaluation	-	-	-	-	110,286,741
Closing balance	118,632,808	118,632,808	118,632,808	118,632,808	124,577,523
<b>PLANT &amp; MACHINERY - 2</b>					
Opening balance	2,858,691	2,858,691	2,858,691	3,001,250	3,167,500
Written off on revaluation	-	-	-	142,559	166,250
Closing balance	2,858,691	2,858,691	2,858,691	2,858,691	3,001,250
<b>PLANT &amp; MACHINERY - 3</b>					
Opening balance	308,710	308,710	308,710	325,206	344,444
Written off on revaluation	-	-	-	16,496	19,238
Closing balance	308,710	308,710	308,710	308,710	325,206
<b>LAB &amp; OFFICE EQUIPMENT</b>					
Opening balance	68,126	68,126	68,126	68,126	71,926
Written off on revaluation	-	-	-	-	3,800
Closing balance	68,126	68,126	68,126	68,126	68,126
<b>COMPUTERS</b>					
Opening balance	20,334	20,334	20,334	27,595	35,126
Written off on revaluation	-	-	-	7,261	7,531
Added on revaluation	-	-	-	-	-
Closing balance	20,334	20,334	20,334	20,334	27,595
<b>VEHICLES</b>					
Opening balance	2,378,216	2,378,216	2,378,216	2,641,652	2,773,009
Written off on revaluation	-	-	-	263,436	131,357
Closing balance	2,378,216	2,378,216	2,378,216	2,378,216	2,641,652



**Note 13: Revenue from operations**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
Sales (Labour Charges)	24,218,024	15,672,945
<b>Total</b>	<b>24,218,024</b>	<b>15,672,945</b>

**Note 14: Other Income**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
(a) Interest income		
On Income tax refund	15,530	31,536
On fixed deposit	8,809	8,836
(c) Rental income from properties	240,000	240,000
<b>Total</b>	<b>264,339</b>	<b>280,372</b>

**Note 15: Employee benefits expense**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
Salaries and wages	4,453,927	3,746,173
Contributions to provident and other funds (Refer footnote)	399,296	370,546
Staff welfare expenses	308,983	203,579
<b>Total</b>	<b>5,162,206</b>	<b>4,320,298</b>

**Disclosure under AS 15****Employee benefit plans( 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 `3,99,296/- (Year ended 31 March, 2015 `3,70,546/- ) for Provident Fund contributions and N.A. (Year ended 31 March, 2016 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.

# KUNSTSTOFFE INDUSTRIES LTD.

## Note 16: Other expenses

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹	₹
<b><u>Manufacturing Expense</u></b>		
Consumption of stores and spare parts	67,402	22,055
Power and fuel	4,194,515	4,132,420
<b><u>Administration Expense</u></b>		
E-Voting Expenses	561,522	570,157
Bank Charges	7,081	4,241
Canteen Expenses	200	785
Communication (Telephone Expenses)	250,865	147,892
Coolie & Cartage Expenses	11,150	17,700
Data Processing Charges	125,772	106,938
Festival Expenses	5,000	13,000
Gift and Donation	15,000	8,150
Gardening Expenses	13,094	31,090
Insurance	39,044	52,834
Legal and professional	3,204	79,378
Miscellaneous expenses	1,200	144
Office Expenses	69,732	86,818
Payments to auditors (Refer footnote)	82,000	62,000
Postage & Telegram	38,457	21,979
Printing and stationery	132,748	131,074
Rates and taxes	429,042	179,674
Rent	72,000	120,000
Repairs and maintenance - Buildings	235,800	24,300
Repairs and maintenance - Machinery	142,192	186,950
Repairs and maintenance - Others	81,763	74,410
Security Charges	1,108,810	984,204
VAT ( Expenses)	90,000	-
Travelling and conveyance	262,188	176,706
Website expenses	1,876	3,124
<b><u>Selling &amp; Distribution Expense</u></b>		
Advertisement & Publicity	110,073	110,396
<b>Total</b>	<b>5,162,206</b>	<b>4,320,298</b>

<b>Footnotes:</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2016</b>	<b>For the year ended 31 March, 2015</b>
	₹	₹
<u>Payments to the auditors comprises (net of service tax input credit, where applicable):</u>		
As auditors - statutory audit	40,000	40,000
For other services -Tax Audit	40,000	20,000
For other services -VAT Audit	2,000	2,000
<b>Total</b>	<b>82,000</b>	<b>62,000</b>

**Note 17: Exceptional Item (Income)**

<b>Particulars</b>	<b>For the year ended 31 March, 2016</b>	<b>For the year ended 31 March, 2015</b>
	₹	₹
Loss on sale of Motor Car	-	(1,414,780)
<b>Total</b>	<b>-</b>	<b>(1,414,780)</b>

**Note 18: Earnings Per Share**

<b>Particulars</b>	<b>For the year ended 31 March, 2016</b>	<b>For the year ended 31 March, 2015</b>
	₹	₹
Net Profit as per statement of profit and loss before extraordinary item (₹)	646,569	2,869,820
Weighted average number of equity shares outstanding during the year (Nos.)	6,890,000	6,890,000
Earning per equity share (Nominal value per share ₹10/- each)		
Basic and diluted	<b>0.09</b>	<b>0.42</b>
Net Profit as per statement of profit and loss after extraordinary item (₹)		
Weighted average number of equity shares outstanding during the year (Nos.)		
Earning per equity share (Nominal value per share ₹10/- each)		
Basic and diluted	<b>N.A.</b>	<b>N.A.</b>

<b>CALCULATION OF CASH PROFIT</b>	₹
Profit / (Loss) before exceptional and extraordinary items and tax	646,569
<b>ADD:</b>	
Depreciation and amortisation expense	10,521,858
<b>CASH PROFIT</b>	<b>11,168,427</b>

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **NOTE '19' : CORPORATE INFORMATION**

Kunststoffe Industries Limited is a listed public limited Company, incorporated under The Companies Act, 1956. The Company is engaged in the business of "Job Works for Processing of HDPE/PP Pipes, etc."

### **NOTE '20' : SIGNIFICANT ACCOUNTING POLICIES**

#### **I. Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting in accordance with the accounting principles generally accepted in India and are in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 2013.

Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

#### **II. Use of estimates.**

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions, that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

#### **III. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured and also when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

##### **A. Revenue from sale**

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 and includes amount received towards processing activities done for other, if any.

##### **B. Interest and dividend:**

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when right to receive dividend is established.

##### **C. Others:**

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

### **NOTE '21' : OTHER NOTES ON ACCOUNTS**

#### **VI. Tangible assets and depreciation / amortization**

A. Tangible fixed assets are stated at cost of acquisition less accumulated depreciation / amortisation and accumulated impairment losses, if any.

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

Fixed Assets were revalued as on 31.03.2015. The surplus arising from the revaluation has been transferred to "Revaluation Reserve" and shown under the head "Reserves & Surplus". As the Fixed Assets were revalued on the last day of the Balance sheet, no depreciation was provided on Revalued Figures for the year ending 31/03/2015. Difference on revaluation of Rs. 1049/- has been recorded in the current year.

- C. Depreciation is provided on the straight line method on the basis of useful life of the assets in the manner specified on schedule II to the Companies Act 2013. Depreciation on the addition to assets or on sale/disposal of assets is calculated pro rate from the month of such addition or upto the month of such sale/disposal as the case may be.

#### **V. Operating Cycle**

Receivables and Payables in relation to operations are considered as "Current Assets" and "Current Liabilities" as the case may be considering the nature of business of the Company.

All other Assets and Liabilities have been classified as provided in Revised Schedule VI, issued by the Institute of Chartered Accountants of India.

#### **VI. Employee benefits**

- A. Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered;

- B. Post Employment Benefits

Defined contribution plans: Company's contribution to State governed Provident Fund Scheme is recognized during the year in which the related service is rendered;

- C. The company has not ascertained liability towards payment of gratuity and hence no provision has been made in accounts. It is accounted for on the basis of payment.

- D. 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.

#### **VII. Segment reporting**

The Company is engaged in "Polymers Processing" a single segment which as per Accounting Standard - 17 'Segment Reporting' is considered to be the only reportable business segment. The Company is also operating within the same geographical segment. Hence, disclosures under AS-17 are not applicable.

#### **VIII. Impairment of assets**

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **IX. Treatment of Contingent Liabilities & Contingent Assets**

The amount of contingent losses are charged to the Profit & Loss Account on a reasonable estimated basis that probable 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.

Pursuant to reference made by the company, The Hon. Bench of BIFR, New Delhi by their order dated 18.01.2007 declared the Company as Sick Industry. Rehabilitation Scheme has been approved by BIFR during the Assessment Year 2013-14.

No provision for income tax liability has been made in the terms of BIFR order dt 08/03/2013 under which vide clause 10.3 (3) the company is exempted from the applicability of minimum alternate tax ( MAT) u/s 115 JB of income tax act 1961.

Debtors and creditors are subject to confirmation from the party.

In the opinion of Board of Directors the current assets, loans and advances except those shown as doubtful have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance Sheet.

Figures of the previous year have been regrouped /re arranged/ re classified

#### **For and on behalf of the Board of Directors**

**For A.V.Jobanputra & Co.**  
**Chartered Accountants**  
Firm Registration No: 104314W

**Dhwani P Sheth**  
Chief Finance Officer

**Soniya P. Sheth**  
Managing Director

**A.V.Jobanputra**  
**Proprietor**  
**Membership No. 016352**  
**Place : Mumbai**  
**Date : 04.08.2016**

**Padmini Ravindran**  
Company Secretary

**S. Chacko**  
Director

**U. K. Jha**  
Director

**Place : Mumbai**  
**Date :04.08.2016**



## KUNSTSTOFFE INDUSTRIES LIMITED

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN L65910MH1985PLC037998

### ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting

D. P. ID*	
Client ID*	

Folio No.	
No. of Shares held	

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company being held on Thursday 29th September 2016 at 10.00 a.m. at the Registered office at Kiran Bldg., 128, Bhaudaji Road, Matunga, Mumbai – 400 019.

Name of the Shareholder(s) 1. .... 2. .... 3. ....

Signature of Shareholder(s) 1. .... 2. .... 3. ....

Signature of Proxyholder .....

\*Applicable for Investors holding shares in electronic form.

Only Member / Proxyholder can attend the meeting.

Note: Member/ Proxy attending the Meeting must fill-in this attendance slip and hand it over at the entrance of the venue of the Meeting.



## KUNSTSTOFFE INDUSTRIES LIMITED

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN L65910MH1985PLC037998

### FORM NO. MGT-11 PROXY FORM

Name of the Company: KUNSTSTOFFE INDUSTRIES LIMITED.

Registered office: Kiran Bldg., 128, Bhaudaji Road, Matunga, Mumbai – 400 019.

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No/Client Id	
DP/ ID	

I/We, being the member(s) of ..... Shares of the above named Company, hereby appoint:

(1) Name: ..... Address: .....

E-mail Id: ..... Signature: ..... or failing him;

(2) Name: ..... Address: .....

E-mail Id: ..... Signature: ..... or failing him;

(3) Name: ..... Address: .....

E-mail Id: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 30th Annual General Meeting of the Company to be held on Thursday, 29th September 2016 at 10.00 a.m. at the Registered Office of the Company at

Kiran Bldg., 128, Bhaudaji Road, Matunga, Mumbai – 400 019. And at any adjournment thereof in respect of such resolutions as are indicated below:

**Please provide E-mail ID for quick response,  
information and communication.**

Optional\*

Resolution No.	Resolution	For	Against	Abstain
1	Consider and adopt the Reports of Auditors, Directors and Audited Financial Statements for the Year ended 31st March, 2016.			
2	Appointment of Ms. Soniya P. Sheth who retires by rotation.			
3	Ratification of appointment of M/s A. V. Jobanputra & Co. Chartered Accountants as Statutory Auditor and authorize the Board of Directors to fix their remuneration.			

Signed this..... day of .....2016.

Signature of shareholder (s).....

Signature of Proxy holders (s).....

Affix 1 Rupee Revenue Stamp
---

**Notes:**

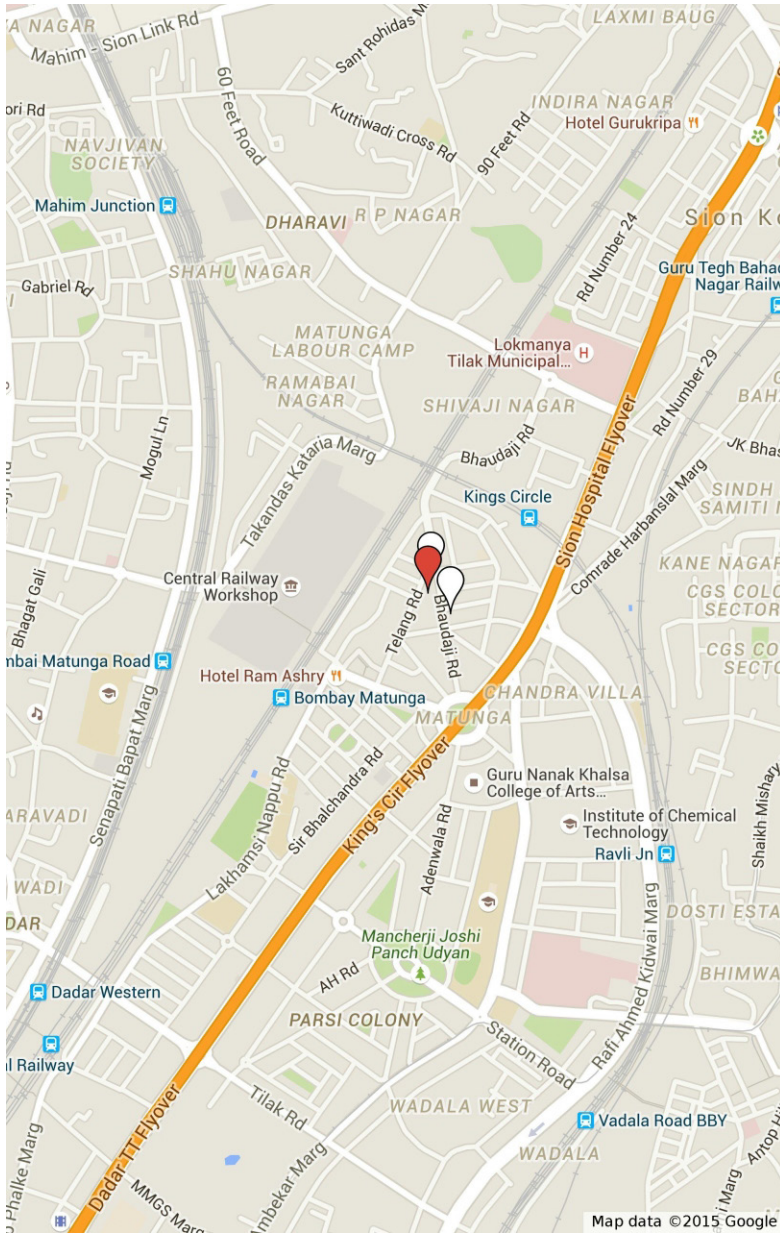
- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- (2) For the Resolution, Explanatory Statement and Notes please refer to the Notice of the 30th Annual General Meeting.
- \*(3) It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) Please complete all details including details of member(s) in above box before submission.







# Kunststoffe Industries Limited AGM ROUTE MAP



## REGISTERED OFFICE ADDRESS

Kiran Building 128, Bhaudaji Road,  
Matunga (E), Mumbai – 400 019

If undelivered, please return :

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

Unit : Kunststoffe Industries Limited  
Luthra Ind Premises, Unit-1, Safeed Pool,  
Andheri Kurla Road, Andheri East,  
Mumbai 400 072.