

KUNSTSTOFFE INDUSTRIES LIMITED



26TH ANNUAL REPORT
2011-12

KUNSTSTOFFE INDUSTRIES LIMITED

BOARD OF DIRECTORS

MR.PRAVIN V.SHETH – Chairman
MR. BHADRESH H.SHAH
MR. SUDHIR V. SHETH
MR.S.C.ASNOTKAR
MS. SONIYA P. SHETH – Executive Director

AUDITORS

P.M.TURAKHIA & ASSOCIATES,
Chartered Accountants, Mumbai

SOLICITORS

LITTLE & CO.MUMBAI
DIVYAKANT MEHTA & ASSOCIATES,
MUMBAI

REGISTERED OFFICE

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

WORKS

Airport Road,
Kadaiya ,
Nani Daman,
Daman, (U.T.)396210

REGISTRAR & TRANSFER AGENTS

SHAREX DYNAMIC (INDIA)PVT.LTD.
Unit-1,Luthra Industrial Premises,
Safed Pool, Andheri Kurla Road,
Andheri (E), Mumbai -400 072.

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 27th day of September, 2012, at 10.30 A.M. at 17, Parekh-Vora Chambers 66, Nagindas Master Road, Fort, Mumbai – 400 023 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March,, 2012 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sudhir V. Sheth who retires by rotation
3. To appoint a Director in place of Mr. Bhadresh H. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next annual general Meeting of the company and to fix their remuneration.

SPECIAL BUSINESS

- 5 To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution

“RESOLVED THAT in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Bhaskar Thiagarajan Iyer, in respect of whom the Company has received a notice in writing from a shareholders proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

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

Chairman

Place: Mumbai

Date: 30th July, 2012.

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. Members who hold shares in dematerialised form are requested to bring their CLIENT ID AND DP ID numbers for easy identification of attendance at the meeting.
3. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Secretarial Department at the Registered Office of the Company.
4. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility by filing Form 2B. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
5. The Share Transfer Books and the Register of Members of the Company will remain close from 20/09/2012 to 27/09/2012(both days inclusive).
6. The documents referred above to in any of the items of the Notice are available for inspection at the Registered Office of the Company on any working day during the business hours of the Company.
7. Members seeking any information with regard to accounts of the Company are requested to send their queries so as to reach the registered office at least 10 days before the meeting to enable the management to keep the information ready for clarification.
8. As a measure of economy, copies of the Annual Report shall not be distributed at the Meeting and therefore, members are requested to bring their copies of Annual Report to the Meeting.
9. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a Green Initiative in Corporate Governance and allowed companies to serve documents on its shareholders through electronic mode. Members are requested to support this green initiative by registering/updating their e-mail address, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with company/its Share Transfer Agents.
10. The Equity Shares of the Company are listed at the following stock exchange:
The Bombay Stock Exchange Ltd., Phiroze Jeebhoy Towers, Dalal Street, Fort, Mumbai-400 001. The listing fee to the above exchange has been paid.

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

- (1) Name: Mr. Bhadresh H. Shah Age: 59 years, Qualification: B.E., Bachelor of Engineering, Nature of expertise: Civil & Plastic Engineering. Name of the Companies in which also holds directorship: 1) Fiberweb (India) Ltd. Name of companies in which he holds Membership/chairmanship: Fiberweb (India) Ltd. Audit & Share Transfer Committee's Chairman.

It will be in the interest of the company that Mr. B. H. Shah continues as Director of the Company.

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No.5 – SPECIAL BUSINESS

Notice in writing has been received from a shareholder of the company, pursuant to section 257 of the companies Act, 1956, signifying his intention to propose Mr. Bhaskar Thiagarajan Iyer as candidate for the office of Director. As required by the said section 257, the shareholder giving notice has deposited a sum of Rs.500/- with company, which shall be refunded to him if Mr. Bhaskar Thiagarajan Iyer is elected as director.

Mr. Bhaskar Thiagarajan Iyer is graduate from Bombay University. He has vast business experience, particularly in the field of marketing. He is a good administrator. He will be of great help to the company in future. His experience and ability will be assets to the company. As such directors of the company recommended his appointment be approved.

Except Mr. Bhaskar Thiagarajan Iyer, none of the Directors of the company is interested in the said resolution.

By Order of the Board of Directors
For Kunststoffe Industries Limited

Pravin V. Sheth
Chairman

Place: Mumbai
Date: 30th July, 2012
Registered Office: Kiran Building,
128, Bhaudaji Road, Matunga (East),
Mumbai - 400 019

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 26th Annual Report of the Company alongwith the audited statements of Accounts for the year ended 31st March, 2012. The summarised financial results are given below:

1. SUMMARISED FINANCIAL RESULTS:

	(Rs. In Lakhs)	
	<u>2011-12</u>	<u>2010-11</u>
Sales & other receipts	91.15	138.71
Gross Profit/(Loss) before depreciations	3.80	68.47
Less : Depreciation	14.06	12.56
Profit(Loss) from regular Activities	(10.26)	55.91
Extraordinary items	0.00	(1994.00)
Profit /(Loss)before and After taxation	(10.26)	(1938.09)
Add: Balance carried from earlier year	(5908.15)	(3970.05)
Balance carried forward to next year	(5918.41)	(5908.14)

2. OPERATIONS:

During the year the sales turnover of the Company was Rs.91.15 lakhs against Rs.138.71 lakhs being the sales of the previous year. Due to paucity of working capital facilities from Banks as Company is under rehabilitation process by BIFR, the company is doing only job-work. Once the rehabilitation scheme is approved your company could market directly and the profitability and prospects will improve.

3. REFERENCE TO BIFR:

Pursuant to an order dated 18-01-2007 of the Hon'ble Bench of BIFR, the Company was declared as a sick industry and IDBI was appointed as the Operating Agency. A Rehabilitation Scheme has been prepared and submitted to the O.A. The Company had made One Time Settlement of dues with IDBI, Standard Chartered Bank and IARC (assignee of Bank of Baroda). The Draft Rehabilitation Scheme has been circulated by the BIFR and the approval of the same is awaited. Your Directors are hopeful for early result.

4. DIVIDEND:

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

5. MANAGEMENT DISCUSSION AND ANALYSIS:

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

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

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

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets.

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

6. FIXED DEPOSITS:

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

7. ADDITIONAL INFORMATION

A. INFORMATION OF CONSERVATION ENERGY:

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

B. INFORMATION OF TECHNOLOGY ABSORPTION:

The Company had initially entered into a Technological Collaboration with BAUKU of Germany and the Company has deputed their engineers for training at the collaborator's plant. The engineers have been trained in process control, production, maintenance and other technology aspects. The Company has absorbed closely guarded technology enabling in to produce wide range of plastic pipes which require much less raw material than any comparable product. This has enabled the Company to produce pipes and tanks for applications such as sewerage schemes, effluent disposal projects, storage tanks for chemicals etc.

8. INFORMATION OF FOREIGN EXCHANGE EARNED AND OUTGO:

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

9. CORPORATE GOVERNANCE

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

10. DIRECTORATE:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sudhir V. Sheth, retires by rotation at this meeting. As he does not offer himself for reappointment, Mr. Bhaskar Thiagarajan Iyer be appointed as a Director in place of Mr. S.V. Sheth.

Mr. Bhadresh H. Shah retires by rotation and being eligible offers himself for reappointment. Your Directors recommend appointment and that re-election of aforesaid Directors will be in the interest of the Company.

Your company has received notice from a member proposing the appointment of Mr. Bhaskar Thiagarajan Iyer as a Director of the company. The Board recommends the appointment of Mr. Bhaskar Thiagarajan Iyer as a Director liable to retire by rotation.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- ❖ That in the preparation of the accounts for the financial period ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- ❖ That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit or loss of the Company for the period under review;
- ❖ That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ❖ That the Directors have prepared the annual accounts for the financial period ended 31st March, 2012 on a 'going concern' basis.

12. DEPOSITORY SYSTEM:

Electronic trading of the Company's Equity Shares has been made compulsory by the Securities & Exchange Board of India (SEBI) from June, 2001. As on 31st March, 2012, about 60.72% share holding representing 7195390 Equity Shares of the Company have been dematerialised. Your Company has executed agreements with both NSDL and CDSL for demat of its shares.

13. ENVIRONMENTAL PROTECTION & INSURANCE:

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

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

14. AUDITORS:

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

15. AUDITORS' REPORT:

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

16. CONSTITUTION OF AUDIT COMMITTEE:

As required by the provisions of Section 292 A of the Companies Act, 1956, the Board of Directors had constituted an Audit Committee comprising of three Non-Executive Directors viz. Mr. Bhadresh H. Shah, Mr. Sudhir V. Sheth and Mr. S.C. Asnotkar.

17. PARTICULARS OF EMPLOYEES:

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

18. REGULATORY STATEMENT:

In conformity with the provisions of clause 32 of the Listing Agreement/(s) the Cash Flow Statement for the year ended 31.03.2012 is annexed to the Accounts.

19. ACKNOWLEDGEMENT

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

On behalf of the Board
PRAVIN V.SHETH
CHAIRMAN

Place: Mumbai
Date: 30th July, 2012

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

REPORT ON CORPORATE GOVERNANCE

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

Company's Philosophy on Code of Corporate Governance

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

Board of Directors

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

The composition of Board of Directors is as follows:

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

During the year, four 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.

➤ **Board Meetings and attendance record of each Director**

(i) Four Meetings of the Board of Directors were held during the year ended 31st March, 2012. these were held on :-

- | | | | |
|----|--------------------|----|--------------------|
| 1. | 30th April, 2011 | 2. | 28th July, 2011 |
| 3. | 31st October, 2011 | 4. | 30th January, 2012 |

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31st March, 2012 and of the last Annual General Meeting is as under:-

Directors	No. of Board Meeting attended	Attendance at the last AGM
Mr. Pravin V. Sheth	4	Yes
Mr. Bhadresh H. Shah	4	NO
Mr. Sudhir V. Sheth	4	Yes
Mr. S.C. Asnotkar	4	Yes
Ms. Soniya P.Sheth	4	Yes

Audit Committee

In terms of the provisions of Section 292A of the Companies Act, 1956 and in order to comply with the corporate governance code, the Board of Directors at its meeting held on 30th January, 2001 formed an Audit Committee comprising of Mr. Bhadresh H. Shah (Chairman of the Committee), Mr. Sudhir V. Sheth and Mr. S.C.Asnotkar who are all Independent Non-Executive Directors. Four Audit Committee Meeting were held on 19th April, 2011, 20th July, 2011, 20th October, 2011 and 20th January,2012.

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

The Composition of Audit Committee is as follows:

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

Four Audit Committee meetings were held on 19th April 2011, 20th July 2011, 20th Oct. 2011 and 20th January 2012 during the year.

Remuneration Policy and Details of Remuneration paid

The Company had on 30th October 2010 set up a Remuneration Committee of Directors, consisting of Mr. Bhadresh Shah Chairman, Mr. S.V. Sheth and Mr. S.C.Asnotkar.

The terms of remuneration committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee had meeting on 20-01-2012, which was attended by Mr. B.H.Shah, Mr. S.V.Sheth and Mr. S.C.Asnotkar. Details of remuneration paid/payable to the Directors for the year ended on 31st March, 2012 (01-04-2011 to 31-03-2012) is as follows:

Name	Position held During the year Remuneration	Salary & Allowances	Perquisites (P.F.)	Total
Ms. Soniya P. Sheth	Whole-time Executive Director	Rs.748500	Rs. 89400	Rs. 837900

No remuneration was paid to non-executive directors other than the sitting fees aggregating to Rs.16000/- was paid to the non-executive directors during the year for attending the Board Meetings.

Board Procedures

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

Shareholders/Investors Grievances and Share Transfer Committee

As a measure of good corporate governance and to focus on the shareholders' grievances and towards strengthening investors relations and to expedite the transfer process in the physical segment. The Company has constituted a Share Transfer and Shareholders/Investors Grievances Committee consisting of non executive directors of which Shri Bhadresh H. Shah is the Chairman and the members of the Committee are Mr. S.V. Sheth and Mr. S. C. Asnotkar. During the year the Company had received 4 investor complaints. The number of pending compliants at the close of the year was nil. There were no share transfer pending for registration for more than 30 days. The Committee met 18 times during the year.

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
23rd	Tuesday	29-09-2009	10.00 a.m.	Basant Cout., Opp. Sion Railway Station, Sion (west), Mumbai – 400 022.
24th	Tuesday	28-09-2010	10.00 a.m.	Parekh-Vora Chambers, 66, N.Master Road Fort, Mumbai – 400 023
25 th	Wednesday	28-09-2011	10.00 a.m.	Parekh-Vora Chambers, 66, N. Master Road Fort, Mumbai- 400 023.

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

Means of Communication

- ❖ The Board takes on record the unaudited quarterly financial results in the prescribed proforma of the stock exchanges within one month of close of the quarter and announces forthwith the results to all the stock exchanges where the shares of the Company are listed within 48 hours of the conclusion of the meeting of the Board in which they are approved and same were posted within stipulated time on the website of SEBI, EDIFAR as per the terms of Listing agreements with Stock Exchanges.
- ❖ Half yearly results/reports is not being sent to each household of shareholders as shareholders are intimated through press.
- ❖ Management Discussion and Analysis Report has been included in the Directors' Report and forms part of this Annual Report.

Disclosure

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

- ❖ No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

SHAREHOLDERS INFORMATION

Date, time and venue of 26th AGM:	Wednesday, 27 th Sept. 2012 at 10.30a.m. at. 17, Parekh-Vora-Chambers, 66, Nagindas Master Road, Fort, Mumbai – 400 023.
Dates of Book Closure	: 20/09/ 2012 to 27/09/ 2012 (both days inclusive)
Listing on Stock Exchanges	: Bombay Stock Exchange Ltd Mumbai
Listing Fees	: Paid for above stock exchange as per the listing agreement.
Demat Arrangement	: With NSDL and CDSL
ISIN No.	: INE 638D01013
BSE Stock Code	: 523594
Registered Office	: Registered Office: Kiran Building , 128, Bhaudaji Road, Matunga (East), Mumbai – 400 019. Tel No. 022-24082689/90 Fax No.022-24044853 E-mail: kunststoffe@vsnl.net Website: kunststoffeindia.com
Registrar & Share Transfer Agents	: Sharex Dynamic (India) Pvt. Ltd., Unit No.1, Luthra Industrial Premises, 1st Floor, Andheri-Kurla Road, Safed Pool, Andheri(East)Mumbai-400072. Tel No.022- 2851 5606, 28515644 Fax No.022-2851 2885 Email: sharexindia@vsnl.com

Compliance Officer

: Mr. B. H. Shah, Non executive Director.

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

Month		High(Rs.)	Low(Rs.)
April	2011	5.99	3.05
May	2011	6.50	3.23
June,	2011	5.75	3.65
July	2011	4.20	3.28
August	2011	3.69	2.96
September	2011	4.49	3.02
October	2011	4.10	3.07
November	2011	4.55	3.21
December	2011	4.16	2.60
January	2012	3.32	2.83
February	2012	3.15	2.86
March	2012	3.17	2.72

Source : www.bseindia.com

Categories of Shareholders as on 31st March, 2012:

Category of Shareholders	Number of Shareholders	Percentage of (A+B+C)	Total Number of Shares held
(A)Shareholding of Promoters And Promoter Group			
(1)Indian	11	24.22	2870236
(2)Foreign	0	0.00	0
Total shareholding of Promoter & Promoter Group	11	24.22	2870236
(B) Public Shareholding			
(1)Institutions	10	4.60	545250
(2)Non-Institutions.	15206	71.18	8434514
Total Public Shareholding	15216	75.78	8979764
(C) Shares held by custodians	0	0.00	0

Grand Total(A)+(B)+(C)	15227	100.000	11850000
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Distribution of Shareholding as on 31st March, 2012:

No. of Equity Shares	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
1 - 100	6444	42.32	619635	5.23
101 - 200	4267	28.02	796215	6.72
201 - 500	2789	18.31	1082715	9.13
501 - 1000	1046	6.87	827393	6.98
1001 - 5000	528	3.47	1185002	10.00
5001 - 10000	71	0.47	500689	4.23
10001 - 100000	72	0.47	1890189	15.95
100001 - and above	10	0.07	4948162	41.76
TOTAL				
Total	15227	100.00	11850000	100.00

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

Dematerialisation of equity shares

The shares of the Company have been brought under compulsory demat mode with effect from June, 2001. As on 31st March, 2012 about 60.72 % share holding representing 7195390 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.

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, 2012 with the relevant records and documents maintained & furnished to us by the Company and as approved by the Board of Directors.
2. The Compliance of conditions on Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Shareholders/Investors Grievance Committee.
5. On the basis of our review and according to information and explanations provided to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

**For P.M. Turakhia & Associates,
Chartered Accountants**

**PRAGNA PATEL
Partner**

Place: Daman

Date: 30th July, 2012

