

**KUNSTSTOFFE INDUSTRIES LTD.**

**29th Annual Report  
2014-15**

# 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 (appointed w.e.f. 01/08/2015)

## **CHIEF FINANCIAL OFFICER**

Ms. DHWANI P. SHETH

## **COMPANY SECRETARY**

Ms. PADMINI RAVINDRAN

## **AUDITORS**

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

## **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 29th Annual General Meeting of the Members of Kunststoffe Industries Limited will be held on Tuesday, 29th day of September, 2015 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, 2015 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 **Ordinary Resolution**:  
“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.”

### SPECIAL BUSINESS

4. To appoint Mr. S. C. Asnotkar (DIN:01399862) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S. C. Asnotkar (DIN:01399862), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2018”.
5. To Appoint Mr. Rajender J. Sharma (DIN: 07241852 ) as an Independent director and in this regard to consider and if thought fit, to pass or without modification(s) the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajender J. Sharma (DIN: 07241852), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to July 30, 2020.”

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

**Padmini Ravindran**  
Company Secretary

Place: Mumbai  
Date: 30th July, 2015.  
**Registered Office:**  
Kiran Building,  
128 Bhaudaji Road,  
Matunga (East),  
Mumbai-400 019.  
CIN: L65910MH1985PLC037998  
e-mail:kunststoffe@vsnl.net

## 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 Clause 49 of the Listing Agreement with the Stock Exchange, 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 last AGM subject to ratification by the members at every AGM. The Company has received intimation from statutory auditor M/s. P. M. Turakhia & Associates, Chartered Accountants (Registration No. 111086W), about their unwillingness for re-appointment as statutory auditor of the Company for the coming Financial Year at ensuing AGM due to regulatory requirement.

In terms of Sec.139(2) of the Companies Act, 2013, No auditor shall be appointed for more than two terms of five consecutive years. Further provided that every company existing on or before the commencement of this Act which is required to comply with provision of this sub-section shall comply with this requirement within three years from the date of commencement of this Act. M/s. P. M. Turakhia & Associates, Chartered Accountants (Registration No. 111086W) have already completed the above mentioned tenure hence shown their unwillingness to continue as statutory auditor for the coming financial year. Since the Company has M/s A. V. Jobanputra & Company Chartered Accountant (Registration No. 104314W) as statutory Auditors, it does not require to fill vacancy caused by other Auditors M/s P. M. Turakhia & Associates.

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 23/09/2015 to 29/09/2015 (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 Jeejeebhoy 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) Pursuant to the provisions of Section 108 and other applicable provision, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
  - (ii) The members who have cast their vote by remote e-voting 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 Shri Bipin C. Shah, a Practicing Chartered Accountant, Mumbai as Scrutinizer to scrutinise the remote e-voting process in a fair and transparent manner and he has communicated his 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, 2015.
  - (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, 2015 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 **Saturday 26/09/2015 at 9.00 a.m. and ends on Monday 28/09/2015** 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 **Tuesday 22/09/2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.

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- (vii) 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>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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>	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.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <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>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **KUNSTSTOFFE INDUSTRIES LIMITED** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) 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.
- (ix) 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.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

#### **Item No. 4**

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

It is proposed to appoint Mr. S. C. Asnotkar as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 3 (Three) consecutive years for a term up to the conclusion of the 32nd Annual General Meeting of the Company in the calendar year 2018.

Mr. S. C. Asnotkar is 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 Share transfer cum stakeholders relationship committee, Audit and Remuneration Committee : Kunststoffe Industries Limited. It will be in the interest of the company that Mr. S. C. Asnotkar continues as Director of the company.

He is Holding 600 Shares of the Company in his name.

The Company has also received declaration from Mr. S. C. Asnotkar that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. S. C. Asnotkar fulfill the conditions for appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. S. C. Asnotkar is independent of the management.

Mr. S. C. Asnotkar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Copy of the draft letter for appointment of Mr. S. C. Asnotkar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. S. C. Asnotkar is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment.

The relatives of Mr. S. C. Asnotkar may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of his shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

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### **Item no. 5:**

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

Keeping in view the above legal requirements the Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Rajender Sharma as an Additional Director of the Company with effect from August 01, 2015.

In terms of the provisions of Section 161(1) of the Act, Mr. Rajender Sharma would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under section 160 of the Act proposing the candidature of Mr. Rajender Sharma for the office of Director of the Company. It is proposed to appoint Mr. Rajender Sharma as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five ) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company in the calendar year 2020.

Mr. Rajender J. Sharma Age: 61 years. Mr. Rajender J. Sharma is B.A. Nature of expertise. He is having vast experience of accounts and admin work. Name of companies in which he holds Directorship : None. Name of companies in which he holds Membership/Chairmanship: None. It will be in the interest of the company that Mr. Rajender J. Sharma continues as Director of the company.

He is not holding any shares of the Company in his name.

The Company has also received declaration from Mr. Rajender Sharma that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Rajender Sharma fulfill the conditions for appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Rajender Sharma is independent of the management.

Mr. Rajender Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Copy of the draft letter for appointment of Mr. Rajender Sharma as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Rajender Sharma is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment.

The relatives of Mr. Rajender Sharma may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of his shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the members.

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

**Padmini Ravindran**  
Company Secretary

Place: Mumbai

Date: 30th July, 2015.

### **Registered Office:**

Kiran Building, 128 Bhaudaji Road,

Matunga (East), Mumbai-400 019.

CIN: L65910MH1985PLC037998

e-mail:kunststoffe@vsnl.net



## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 29th Annual Report of the Company alongwith the audited statements of Accounts for the year ended 31st March, 2015. The summarised financial results are given below:

### SUMMARISED FINANCIAL RESULTS:

(Rs. In Lakhs)

	2014-15	2013-14
Sales & other receipts	156.73	158.42
Gross Profit/(Loss) before depreciations	74.11	23.60
Less : Depreciation	0.10	67.06
Profit(Loss) from regular Activities	42.75	25.44
Extraordinary items	14.15	0.03
Profit /(Loss)before and After taxation	28.60	25.47
Add: Balance carried from earlier year	(3904.66)	(3904.13)
Balance carried forward to next year	(3876.06)	(3904.66)

### OPERATIONS:

During the year the sales turnover of the Company was Rs.156.73 lakhs against Rs.158.42 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. Once the rehabilitation scheme is approved your company could market directly and the profitability and prospects will improve.

### REFERENCE TO BIFR:

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

### DIVIDEND:

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

### 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

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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.

### **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.

### **ENVIRONMENTAL PROTECTION AND INSURANCE:**

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.

### **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.

### **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.

### **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. 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 Listing Agreement with Stock Exchange and good corporate practices. 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.

- 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 is satisfactory and adequate and meets 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, Mr. S. C. Asnotkar retires by rotation and being eligible offers himself 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. S.C. Asnotkar & Mr. Rajender Sharma as Independent Director will be in the interest of the Company.

During the year, the Board has noted the appointment of Mrs. Soniya P. Sheth as Managing Director and appointment of Mr. S.C. Asnotkar & Mr. Rajender Sharma as Independent Directors of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchange.

During the year Ms. PadminiRavindran has been appointed as Company Secretary w.e.f. 01/09/2014 and Ms. Dhvani P. Sheth as Chief Financial Officer of the Company w.e.f. 30/03/2015 to comply with the provisions of the Companies Act, 2013.

#### **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, 2015, 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, 2015 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:**

Eight 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 2014-15 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.

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **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.

### **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:

### **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.

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

Extract of Annual Return of the Company 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.

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

The retiring Auditor, M/s. A.V. Jobanputra & Co., Chartered Accountant, Mumbai, are eligible for re-appointment and have 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 Company has received intimation from statutory auditor M/s. P. M. Turakhia & Associates, Chartered Accountants (Registration No. 111086W), about their unwillingness for re-appointment as statutory auditor of the Company for the coming Financial Year at ensuing AGM due to regulatory requirement.

In terms of Sec.139(2) of the Companies Act, 2013, No auditor shall be appointed for more than two terms of five consecutive years. Further provided that every company existing on or before the commencement of this Act which

## ANNUAL REPORT 2014-2015

is required to comply with provision of this sub-section shall comply with this requirement within three years from the date of commencement of this Act.

M/s. P. M. Turakhia & Associates, Chartered Accountants (Registration No. 111086W) have already completed the above mentioned tenure hence shown their unwillingness to continue as statutory auditor for the coming financial year. Since the Company has M/s A. V. Jobanputra & Company Chartered Accountant (Registration No. 104314W) as statutory Auditors, it does not require to fill vacancy caused by other Auditors M/s P. M. Turakhia & Associates.

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:**

The Board has appointed M/s. Sarita Lakhotiya & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31,2015 is annexed herewith and forming part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **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.
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.

### **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, 2015, about 75.78 % share holding representing 5221129 Equity Shares of the Company have been dematerialized. Your Company has executed agreements with both NSDL and CDSL for demat of its shares.

### **REGULATORY STATEMENT:**

In conformity with the provisions of clause 32 of the Listing Agreement/(s) the Cash Flow Statement for the year ended 31.03.2015 is annexed to the Accounts.

### **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: 30th July, 2015  
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 MENEGERIAL PERSONEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2015

- 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	
		2014-15	2013-14
1.	Ms. Soniya P. Sheth	5.87 : 1	4.30 : 1

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

Sr. No.	Name of the Director	Designation	Percentage Increase (%)	
			2014-15	2013-14
1.	Ms. Soniya P. Sheth	Managing Director	33.33	7.14
2.	* Ms. Dhvani P. Sheth	Chief Financial Officer	N.A.	N.A.
3.	* Ms. Padmini Ravindran	Company Secretary	N.A.	N.A.

#### Note:

\* Ms. Dhvani P. Sheth appointed as CFO on 30/03/15 & Ms. Padmini Ravindran appointed as Company Secretary on 01/09/2014 therefore no increament in salary applicable.

- Number of permanent employees on the rolls of the Company as on 31st March, 2015 was 12 Nos. and as on 31st March, 2014 was 10 Nos.
- There is no variable component of remuneration to the Directors.
- No employee has received remuneration in excess of highest paid Director of the Company during the Financial Year 2014-15.
- a) Financial Performance of the Company [See Note 6 (b)(i)]

Description	(Rs/Lacs)	
	2014-15	2013-14
Profit Before Tax	28.60	25.47

- 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 long run.

Sr. No.	Description	Percentage increase (%)	
		2014-15	2013-14
1.	Median Remuneration of employees	9.17	10.00
2.	Average Remuneration of all employees (See Note i & ii)	17.51	11.32
3.	Remuneration of Key Managerial Personnel (See Note i & ii)	33.33	7.14
4.	Average increase in salaries of the employees other than Managerial Personnel*	10.95	13.14
5.	Managerial Remuneration	33.33	7.14
6.	Remuneration of each Key Managerial Personnel (See Note i & ii)		
	Ms. Soniya Sheth	33.33	7.14
	Ms. Padmini Ravindran	N.A.	N.A.
	Ms. Dhvani Sheth	N.A.	N.A.

**Note:**

- i) During the year the sales turnover of the Company was Rs.156.73 lakhs against Rs.158.42 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. 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) Mrs. Padmini Ravindran, Company Secretary appointed on 01/09/2014 & Ms. Dhvani P. Sheth appointed on 30/03/2015 therefore no percentage increase applicable.
  - iv) For computing average increase in remuneration, only employees who have worked for the complete Financial Year 13-14 & 14- 15 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 2014-15 of the Company:

Decrease in (Rs/Lacs)	Percentage Decrease (%)
387.91	46.80

- ii. Price Earnings Ratio

Description	As on 31/03/2015	As on 31/03/2014
Price Earnings Ratio	15.24	32.51

- 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 Decrease from last FPO: 36.00%

# KUNSTSTOFFE INDUSTRIES LTD.

## Annexure II Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31/03/2015

[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,<br>Matunga (E), 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  |
| 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 ASSOCIATE COMPANIES As per Attachment B

### 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:<br>(please specify, if there is no change)                                  | As per Attachment E |
| iv) Shareholding Pattern of top ten Shareholders:<br>(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. INDEBTENDNESS

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 / COMPOUNDING OF 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:-

SI. 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 –**

SI. 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)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% 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	1626231	0	1626231	23.603	0
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>2634319</b>	<b>0</b>	<b>2634319</b>	<b>38.234</b>	<b>0</b>
<b>(2) Foreign</b>									
<b>a) NRIs-Individuals</b>	0	0	0		0	0	0		0
b) Other Individual									
c) Bodies Corp.	0	0	0		0	0	0		0

## KUNSTSTOFFE INDUSTRIES LTD.

d) Bank / FI	0	0	0		0	0	0		0
e) Any Other....	0	0	0		0	0	0		0
<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>	2634319	0	2634319	38.234	2634319	0	2634319	38.234	0.00
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	158440	158440	2.3	0	158440	158440	2.3	0
<b>(b). Banks / FI</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>(c). Central Govt.</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>
(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	1361022	70120	1431142	20.771	1360496	65920	1426416	20.703	-0.068
(ii). Overseas									
(b). Individual									
(i). Individual shareholders holding nominal share capital upto Rs. 1 lakh	711073	1106831	1817904	26.385	738479	1086951	1825430	26.494	0.109
<b>(ii). Individual shareholders holding nominal share capital in excess of Rs.1 lakh</b>	<b>422281</b>	<b>110600</b>	<b>532881</b>	<b>7.734</b>	<b>422361</b>	<b>110600</b>	<b>532961</b>	<b>7.735</b>	<b>0.001</b>
(c). Other (specify)									
<b>Non Resident Indians</b>									
<b>Overseas Corporate Bodies</b>	<b>64394</b>	<b>191420</b>	<b>255814</b>	<b>3.713</b>	<b>65374</b>	<b>187500</b>	<b>252874</b>	<b>3.67</b>	<b>-0.043</b>
Foreign Nationals	0	0	0		0	0	0		0
Clearing Members	0	0	0		0	0	0		0
Trusts	0	0	0		0	0	0		0
Foreign Bodies – D R	40	0	40	0.001	100	0	100	0.001	0
<b>Sub-total (B)(2):-</b>	<b>2558810</b>	<b>1478971</b>	<b>4037781</b>	<b>58.604</b>	<b>2586810</b>	<b>1450971</b>	<b>4037781</b>	<b>58.603</b>	<b>-0.001</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2558810</b>	<b>1696871</b>	<b>4255681</b>	<b>61.767</b>	<b>2586810</b>	<b>1668871</b>	<b>4255681</b>	<b>61.766</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</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>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>5193129</b>	<b>1696871</b>	<b>6890000</b>	<b>100.00</b>	<b>5221129</b>	<b>1668871</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 i. e as on 1st April, 2014			Shareholding at the end of the year i. e as on 31st March, 2015			% change in shareholding 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 HUF	18000	0.261	0	18000	0.261	0	0
2	HARGOVIND KARSANDAS VITHALANI	44480	0.646	0	44480	0.646	0	0
3	BHARAT CAPITAL AND HOLDINGS	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 PRAVIN SHETH	271372	3.939	0	271372	3.939	0	0
7	DHWANI PRAVIN SHETH	310180	4.502	0	310180	4.502	0	0
	Total	2634319	38.235	0	2634319	38.235	0	0

## Attachment E

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Shareholding at the end of the year 31/03/2015			
		No. of shares at the beginning (01/04/2014) / end of the year (31/03/2015)	% of total shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Share	% of total Shares of the company
		<b>NIL</b>						

# 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 (01/04/2014) /	% 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 31.3.15
1	SBI CAP MKTS LTD A/C IMF NVM FUND	68480	0.994	01/04/2014				
	-Closing Balance			31/03/2015			68480	0.994
2	SBI CAP MKTS LTD A/C IMF NVM FUND	60680	0.881	01/04/2014				
	-Closing Balance			31/03/2015			60680	0.881
3	PARLE (EXPORTS) LIMITED	53160	0.772	01/04/2014				
	-Closing Balance			31/03/2015			53160	0.772
4	BHARAT EQUITY SERVICE LTD	581866	8.446	01/04/2014				
				17/10/2014	5415	Transfer	587281	8.525
				20/03/2015	-15000	Transfer	572281	8.306
	-Closing Balance			31/03/2015			572281	8.306
5	GAYATRI PIPES AND FITTINGS PRIVATE LTD	650000	9.434	01/04/2014				
	-Closing Balance			31/03/2015			650000	9.434
6	TATA INVESTMENT CORPORATION	24120	0.35	01/04/2014				
	-Closing Balance			31/03/2015			24120	0.35
7	SULOCHNADEVI ANILKUMAR AGARWAL	206645	2.999	01/04/2014				
	-Closing Balance			31/03/2015	80	Transfer	206725	3.000
8	BISHWADHAR JAYAL	36790	0.534	01/04/2014				
	-Closing Balance			31/03/2015			36790	0.534
9	PUNAM PATNI	40190	0.583	01/04/2014				
	-Closing Balance			31/03/2015			40190	0.583
10	JAYESHKUMAR C SHAH	26200	0.38	01/04/2014				
				18/04/2014	2000	Transfer	28200	0.409
	-Closing Balance			31/03/2015			28200	0.409

## 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 01/04/2014		Date wise Increase/ Decrease in Shareholding during the year		Cumulative Shareholding during the year		Shareholding at the beginning of the year 31/03/2015	
		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	0.010	--	--	600	0.010	600	0.010
2	Soniya P. Sheth	3280	0.050	800	11/04/14 Transfer	4080	0.062		
				1326	31/12/14 Transfer	5406	0.082		
				160	16/01/15 Transfer	5566	0.084		
				122	06/02/15 Transfer	5688	0.086		
	Closing Balance			4000	13/02/15 Transfer	9688	0.147	9688	0.147
3	Dhwani P. Sheth (CFO)	310180	4.500	--	--	310180	4.500	310180	4.500

## Attachment H

## v. INDEBTEDNESS

## 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>				
i) Principal Amount	100,00,000.00	68,00,000.00	-	168,00,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	100,00,000.00	68,00,000.00	-	168,00,000.00
<b>Change in Indebtedness during the financial year</b>				
. Addition	-	-	-	-
. Reduction	-	68,00,000.00	-	68,00,000.00
<b>Net Change</b>		68,00,000.00		68,00,000.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	100,00,000.00	-	-	100,00,000.00
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

# KUNSTSTOFFE INDUSTRIES LTD.

## 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	---	---	---	
	Gross salary					
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,143,333.00	-	-	-	1,143,333.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	168,959.00	-	-	-	168,959.00
	(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>	1,312,292.00	-	-	-	1,312,292.00
	Ceiling as per the Act	# Not workable due to Loss / Inadequate Profit				

# Due to Loss / Inadequate Profit , Remuneration to Ms. Soniya 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	
	Independent Directors					
	. Fee for attending board / committee meetings	-	-	-	-	-
	. Commission	-	-	-	-	-
	. Others, please specify (Conveyance)	8000	8000	8000	8000	32000
	Total (1)	8000	8000	8000	8000	32000
	Other Non-Executive Directors					
	. Fee for attending board / committee meetings	-	-	-	-	-
	. Commission	-	-	-	-	-
	. Others, please specify (Conveyance)	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	8000	8000	8000	8000	32000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	# Not workable due to Loss / Inadequate Profit				

## 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. PadminiRavindran	CFO * Ms. Dhwan- iSheth	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	105,000.00	--	105,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		21,350.00	--	21,350.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option		0	--	0
3.	Sweat Equity		0	--	0
4.	Commission				
	- as % of profit		0	--	0
	- others, specify. . .				
5.	Others, please specify		0	0	0
	<b>Total</b>		126,350.00	0	126,350.00

\*Ms. Dhvani Sheth appointed as CFO on 30th March, 2015.

# Ms. Padmini Ravindran appointed on 1st September, 2014 as Company secretary hence remuneration paid for proportionate period.

## 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			--NIL--		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			--NIL--		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			--NIL--		
Punishment					
Compounding					

# KUNSTSTOFFE INDUSTRIES LTD.

## REPORT ON CORPORATE GOVERNANCE

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

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

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

### Board of Directors

The Board of Directors comprises of five members, consisting of four 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
Ms. Soniya P. Sheth	Mg. Director	Executive	Non-Independent
Mr. S. C. Asnotkar	Director	Non-Executive	Independent
Mr. Bhaskar T. Iyer	Director	Non-Executive	Independent
Mr. Ujjwal Kumar Jha	Director	Non-Executive	Independent
Mr. S. Chacko	Director	Non-Executive	Independent

During the year, eight Board meetings 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: 30 years, Qualification: 12th Passed, 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 Indus. Ltd. 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.

Mr. S. Chacko, Age: 60 years, Qualification: B.Com. Mech. Engineer. Nature of expertise: He is Mechanical Engineer and has about 26 years of experience in the field of plastic processing & manufacturing. Name of Companies in Which he holds Directorship/Membership/Chairmanship: None.

Mr. Ujjwalkumar R. Jha, Age: 49 years, Qualification: B.Com. ICWA (Inter) Nature of expertise: He has 21 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.

Name: Mr. S. C. Asnotkar Age: 86 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 Share transfer cum Stakeholders relationship committee, Audit committee and Nomination & Remuneration Committee.

Mr. Bhaskar T. Iyer Age: 51 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) AM Realty Pvt Ltd., 6) Kunststoffe Industries Ltd., 7) AM Entertainment & Broadcasting Pvt. Ltd. Name of companies in which he holds Membership: Member of share transfer cum stakeholder relationship committee, Audit committee, Nomination & Remuneration Committee of Kunststoffe Industries Ltd.

Mr. Rajender J. Sharma Age: 61 years, Qualification: B.A. He has vast experience of accounts & admin work. Name of companies in which he holds Directorship/ Chairmanship/ Membership: None.



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

- (i) Eight Meetings of the Board of Directors were held during the year ended 31st March, 2015. these were held on :-  
 (1) 30th April, 2014(2) 30th May, 2014 (3) 27th June, 2014 (4) 30th July, 2014  
 (5) 21st August, 2014 (6) 11th Nov., 2014(7) 5th February 2015(8) 30th March,2015
- (ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31st March, 2015 and of the last Annual General Meeting is as under:-

<b>Directors</b>	<b>No. of Board Meeting attended</b>	<b>Attendance at the last AGM</b>
Ms. Soniya P. Sheth	8	Yes
Mr. S. C. Asnotkar	8	Yes
Mr. Bhaskar T. Iyer	8	Yes
Mr. S. Chacko	8	Yes
Mr. Ujjwalkumar R. Jha	8	Yes

**Meeting of Independent Directors and Attendance Record**

Independent Directors to meet atleast once in a year to deal with matters listed out in Schedule IV and clause 49 of the Listing Agreement 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 to perform the duties by the Board of Directors.

**Attendance Record of Meetings of Independent Directors**

<b>Name of the Director</b>	<b>Number of Meetings held</b>	<b>Number of Meetings attended</b>
Mr. U. R. Jha	1	1
Mr. S. Chacko	1	1
Mr. Bhaskar T. Iyer	1	1
Mr. S. C. Asnotkar	1	1

**Audit Committee**

The Board of Directors has constituted an Audit Committee of Directors and empowered the Committee to deal with all such matters which it may consider appropriate to perform as audit committee including items specified in Section 177(4) of the Companies Act, 2013 (as may be modified/amended from time to time) and items specified in Clause 49 of the Listing Agreement under the head role of audit committee (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors.

The Committee in addition to other business, reviews the quarterly (unaudited) financial results, annual financial statements, audit reports, before submitting to the Board of Directors, review internal control system and procedures and its adequacy, risk management, related party transaction, audit programme, nature and scope of audit programme, appointment and remuneration of Auditors.

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. Four Audit Committee Meetings were held on 21st April, 2014, 20th July, 2014, 20th October, 2014 and 20th January,2015 and all members of the Committee attended all meeting.

The Composition, powers and functions of the Audit Committee were as stipulated under clause 49 of the Listing Agreement and under section 177 of the Companies Act, 2013.

**The Composition of Audit Committee is as follows:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>	<b>Status</b>
Mr. U. R. Jha	Chairman of the Committee	Non-Executive	Independent
Mr. S.C. Asnotkar	Member of the Committee	Non-Executive	Independent
Mr. Bhaskar T. Iyer	Member of the Committee	Non-Executive	Independent

At the invitation of the Company, Statutory Auditors, 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 28th Annual General Meeting of the Company held on 29th September, 2014.

# KUNSTSTOFFE INDUSTRIES LTD.

## Nomination and Remuneration Committee of Directors

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors in place of Remuneration Committee of Directors. The role of the committee is to perform all such matters as prescribed under the Companies Act, 2013 and the rules framed thereunder and Clause 49 of the Listing Agreement (and as may be modified/amended from time to time) which interalia 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.

Four Committee Meetings were held on 21st April, 2014, 20th July, 2014, 20th October, 2014 and 20th January, 2015 and all members of the Committee attended all meeting.

## Details of Remuneration paid

Details of remuneration paid/payable to the Directors for the year ended on 31st March, 2015 (01-04-2014 to 31-03-2015) is as follows:

Name	Position held During the year	Salary & Allowances	Perquisites	Total Remuneration
Ms. Soniya P. Sheth	Managing Director	Rs.1143333/-	Rs.168959/-	Rs.1312292/-

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 agreement 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 agreement.

## Stakeholders Relationship 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. A Stakeholders Relationship/Grievance Committee of Directors has been constituted in place of Shareholders/ Investors Grievance Committee of Directors. The role of the committee is to consider and resolve the grievance of security holders and perform such roles as may require under the Companies Act, 2013 and Clause 49 of the Listing Agreement. Continuous efforts are made to ensure that grievances are expeditiously redressed to the satisfaction of investors. The Committee consisting of non executive directors of which Shri U. R. Jha is the Chairman and the members of the Committee are Mr. S.C. Asnotkar and Mr. Bhaskar T. Iyer. During the year the Company had received 16 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 compliants at the close of the year were nil. There were no share transfer pending for registration for more than 15 days. The Committee met 27 times during the year.

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 exclusively for this purpose.

## Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee was constituted on 30/04/2014 as per Clause 49 of Listing Agreement for corporate Governance. 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 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.

Power of Corporate Social responsibility Committee: The Committee is authorized to exercise all powers available to them as per Companies Act, 2013.

As per Section 135 of the Companies Act, 2013, the Company needs to spent 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.

## Sexual Harassment Committee:

The Sexual Harassment Committee was constituted on 30th April 2014 as per Clause 49 of Listing Agreement for Corporate Governance. This committee comprised the following 2 Directors of the Company: Ms. Soniya P. Sheth, Managing Director and Mr. S. C. Asnotkar independent director.

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.

## 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
26th	Thursday	27-09-2012	10.30 a.m.	Parekh-Vora Chambers, 66, N. Master Road Fort, Mumbai- 400 023.
27th	Thursday	26-09-2013	10.30 a.m.	Kiran Bldg, 128 Bhaudaji Road, Matunga (E) Mumbai-400 0019.
28th	Monday	29-09-2014	10.00 a.m.	Kiran Bldg, 128 Bhaudaji Road, Matunga (E) Mumbai-400 0019.

- ❖ Whether special resolutions were put through postal ballot last year? Yes  
 During F.Y. 2013-14, Special Resolution for Reduction of Share Capital and Preferential Allotment vide BIFR Order were put through Postal Ballot.
- ❖ Are special resolutions proposed to be put through postal ballot this year? No  
 In the 28th Annual General Meeting held on 29/09/2014, a special resolution was passed for Adoption of New Articles of Association.

## 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.
- ❖ 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.

## 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.

# KUNSTSTOFFE INDUSTRIES LTD.

## SHAREHOLDERS INFORMATION

<b>Company's Registration No.</b>	:	CIN: L65910MH1985PLC037998
<b>Date,time and venue of 29th AGM</b>	:	Tuesday, 29th Sept. 2015at 10.00a.m. at. Kiran Building, 128, Bhaudaji Road, Matunga (E), Mumbai-400 019.
<b>Dates of Book Closure</b>	:	23/09/ 2015 to 29/09/ 2015 (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 Agreement.
<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: KiranBuilding , 128, Bhaudaji Road, Matunga (East), Mumbai – 400 019. Tel No. 022-24082689/90 Fax No.022-24044853 E-mail:kunststoffe@vsnl.net Website: www.kunststoffeindia.com
<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, 28515644 Fax No. 022-2851 2885 Email: sharexindia@vsnl.com
<b>Compliance Officer</b>	:	<b>Mrs. Padmini Ravindran</b> <b>Company Secretary</b>

### 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

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

Month	High(Rs.)	Low(Rs.)
April 2014	11.88	11.88
May 2014	11.95	11.95
June 2014	11.50	11.00
July 2014	11.55	9.90
August 2014	11.10	9.10
September 2014	12.23	8.98
October 2014	10.38	7.41
November 2014	7.40	5.67
December 2014	7.00	5.50
January 2015	8.13	7.00
February 2015	7.50	6.01
March 2015	7.08	5.71

Source : [www.bseindia.com](http://www.bseindia.com)**Categories of Shareholders as on 31st March, 2015:**

Category of Shareholder	Number of Shareholders	Percentage of (A+B+C)	Total Number of shares held
(A) Shareholding of Promoters & Promoter Group			
(1) Indian	11	38.23	2634319
(2) Foreign	0	0.00	0
<b>Total shareholding of Promoter &amp; Promoter Group</b>	<b>11</b>	<b>38.23</b>	<b>2634319</b>
(B) Public Shareholding			
(1) Institutions	10	3.16	217900
(2) Non - Institutions.	14520	58.61	4037781
<b>Total Public Shareholding</b>	<b>14530</b>	<b>61.77</b>	<b>4255681</b>
(C) Shares held by custodians	0	0.00	0
<b>Total (A)+(B)+(C)</b>	<b>14541</b>	<b>100.00</b>	<b>6890000</b>

**Distribution of Shareholding as on 31st March, 2015:**

No. of Equity Shares	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
<b>1 -100</b>	10431	71.74	557144	8.09
<b>101-200</b>	2525	17.36	397388	5.77
<b>201-500</b>	1045	7.19	339391	4.93
<b>501-1000</b>	281	1.93	202248	2.94
<b>1001-5000</b>	187	1.29	404673	5.87
<b>5001-10000</b>	30	0.21	231844	3.36
<b>10001-100000</b>	33	0.23	840819	12.20
<b>100001- and above</b>	9	0.06	3916493	56.84
<b>Total</b>	<b>14541</b>	<b>100.00</b>	<b>6890000</b>	<b>100.00</b>

## **KUNSTSTOFFE INDUSTRIES LTD.**

**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, 2015 about 75.78% share holding representing 5221129 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.

### **Code of Conduct**

The Company has always encouraged and supported ethical business practices in personal and corporate behavior by its directors and employees. The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company.

### **Non Mandatory Requirements**

#### **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.

#### **Reporting of Internal Auditors**

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

## **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, 2015 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**  
Firm Registration No: 111086W

M.D.Turakhia  
Partner  
Membership No. 017399

**Place: Mumbai**  
**Date: 30th July, 2015**

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

A.V.Jobanputra  
Proprietor  
Membership No. 016352

## **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 Clause 49 of the Listing Agreement with the Stock Exchanges, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2015.

**Place: Mumbai**  
**Date: 30th July, 2015**

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

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015

[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 of Kunststoffe Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kunststoffe Industries Limited (hereinafter called the Company). 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 Kunststoffe Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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, 2015 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 return filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provision of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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 (Not Applicable to the Company during the Audit Period);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - 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 (Not Applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
  - 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 (Not Applicable to the Company during the Audit Period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period); and

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India (Not Applicable to the Company during the Audit Period).
- b. The Listing Agreements entered into by the Company with Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

## **KUNSTSTOFFE INDUSTRIES LTD.**

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. 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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through. There is no dissenting view of members to capture and record as part of the minutes.

We further report that there are adequate system 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.

We further report that during the audit period, there were no instances of:

- a. Public / Rights / Preferential issue of shares / debentures / sweat equity.
- b. Redemption / buy-back of securities.
- c. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- d. Merger / amalgamation / reconstruction, etc.
- e. Foreign technical collaborations.

For **SARITA LAKHOTIA & ASSOCIATES**

Place: Mumbai  
Date: July 30, 2015

**SARITA LAKHOTIA**  
Company Secretary  
C.P. No. 8738



**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF KUNSTSTOFFE INDUSTRIES LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **KUNSTSTOFFE INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 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 Section 143(10) of the Act. 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 an opinion on the 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 no.21 (IV)(B), (IV)(C), 22(I), (II), (III), (IV), (V), (VI), the aforesaid 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, 2015, and its Loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- I. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

## **KUNSTSTOFFE INDUSTRIES LTD.**

II. As required by Section 143 (3) of the Act, were port 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 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) In our opinion, the company, based on the facts of its case and its background is a going concern.
- (f) On the basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (g) Since the central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441 of the Act, nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

**For P.M.Turakhia & Associates**  
**Chartered Accountants**  
Firm Registration No: 111086W

M.D.Turakhia  
Partner  
Membership No. 017399

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

A.V.Jobanputra  
Proprietor  
Membership No. 016352

Place : Mumbai

Date : 30.05.2015

### ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OUR AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015 OF KUNSTSTOFFE INDUSTRIES LIMITED

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, 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;
- (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 stocks or maintenance of inventory records, in our opinion, does not arise;
- (iii) The Company had neither taken nor granted any loans, secured or unsecured from / to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Hence, the question of reporting whether the rate of interest and other terms and conditions of such loans are prima facie prejudicial to the interest of the company, whether reasonable step for recovery / payment of the over dues of such loans are taken does not arise;
- (iv) The company has an internal audit system commensurate with the size of the company and nature of its business
- (v) The Company has not accepted any deposits from the public during the year, Therefore the provisions of clause 3 (v) of the Companies (Auditors Report) Order, 2015 are not applicable to the Company;
- (vi) We are unable to offer any comment on the clause no. (vi) pertaining to maintenance of cost records as the cost auditor has not completed cost audit till date;
- (vii)(a) According to the records of the Company, it has been generally regular in depositing, wherever applicable, undisputed statutory dues including Investor Education and Protection Fund, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities.
- (b) No Un-disputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2015, for a period of more than six months from the date they became payable;
- (c) There are no dues of sales tax , income tax, custom tax , wealth tax, excise duty and Cess which have not been deposited on account of any dispute;
- (viii) The accumulated losses of the company are more than 50% (Fifty Percent) of its Net Worth and hence the company has filed a reference with the BIFR, New Delhi Under the SICA 1985 which has been registered by the BIFR. the company registered under the Sick Unit vide BIFR's order dated 18.01.2007. The company has earned Cash Profit of ₹ 42,84,600/- in the current financial year and of ₹ 72,53,433/- in the immediate preceding financial year. In arriving at the accumulated loss and net worth, we have considered the qualifications which are quantifiable in the Audit Report of the year to which these losses pertain;
- (ix) On the basis of records examined by us and the information and explanations given to us, the Company has not accepted any loans from any financial institution or banks or issued debentures. Therefore the provisions of clause 3 (ix) of the Companies (Auditors Report) Order, 2015 are not applicable to the Company ;
- (x) According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from banks or financial institutions;
- (xi) On the basis of the records examined by us, we have to state that, the Company has not obtained any term loans during the year;
- (xii) According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year;

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

Firm Registration No: 111086W

M.D.Turakhia  
Partner  
Membership No. 017399

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

Firm Registration No: 104314W

A.V.Jobanputra  
Proprietor  
Membership No. 016352

Place : Mumbai  
Date : 30.05.2015

# KUNSTSTOFFE INDUSTRIES LTD.

## Balance Sheet as at 31 March, 2015

	Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
			₹	₹
<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	46,389,410	43,529,611
			115,289,410	112,429,611
<b>2</b>	<b>Share application money pending allotment</b>	3	-	-
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	10,000,000	16,800,000
			10,000,000	16,800,000
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term provisions	5	307,980	213,110
	(b) Trade payables	6	1,374,031	736,474
	(c) Other current liabilities	7	54,810	107,227
			1,736,821	1,056,811
	<b>TOTAL</b>		<b>127,026,231</b>	<b>130,286,422</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets - Tangible assets	8	117,490,422	119,615,222
	(b) Long Term Loans and Advances	9	451,350	759,374
			117,941,772	120,374,596
<b>2</b>	<b>Current assets</b>			
	(a) Trade receivables	10	4,995,813	5,636,335
	(b) Cash and cash equivalents	11	1,070,259	1,305,117
	(c) Short-term loans and advances	12	3,000,386	2,952,374
	(d) Other current assets	13	18,000	18,000
			9,084,458	9,911,826
	<b>TOTAL</b>		<b>127,026,231</b>	<b>130,286,422</b>
<b>The accompanying notes 1 to 22 are an integral part of the financial statements.</b>				

As per our report of even date

(0)

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**For P. M. Turakhia & Associates**  
Chartered Accountants  
Firm Registration No: 111086W

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

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

**Soniya P. Sheth**  
Managing Director

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

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

**S. Chacko**  
Director

**U. K. Jha**  
Director

Place : Mumbai  
Date : 30.05.2015

**Dhwani P. Sheth**  
Chief Finance Officer

**Padmini Ravindran**  
Company Secretary

## ANNUAL REPORT 2014-2015

### Statement of Profit and Loss for the year ended 31 March, 2015

	Particulars	Note No.	For the year ended	For the year ended
			31 March, 2015	31 March, 2014
			₹	₹
<b>A</b>	<b>INCOME</b>			
1	Revenue from operations (gross)	14	15,672,945	15,841,570
2	Other income	15	280,372	3,224,261
<b>3</b>	<b>Total Income (1+2)</b>		<b>15,953,317</b>	<b>19,065,831</b>
<b>B</b>	<b>EXPENSES</b>			
	Employee benefits expense	16	4,320,298	3,631,665
	Depreciation and amortisation expense	8	10,021	6,706,646
	Other expenses	17	7,348,419	6,184,019
<b>4</b>	<b>Total expenses</b>		<b>11,678,738</b>	<b>16,522,330</b>
<b>5</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>4,274,579</b>	<b>2,543,501</b>
6	Exceptional Income	18	-1,414,780	3,561
<b>7</b>	<b>Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		<b>2,859,799</b>	<b>2,547,062</b>
8	Extraordinary items		-	-
<b>9</b>	<b>Profit / (Loss) before tax (7 + 8)</b>		<b>2,859,799</b>	<b>2,547,062</b>
10	Tax expense:			
	Current tax expense		-	-
	Deferred tax		-	-
<b>11</b>	<b>Profit / (Loss) after tax for the Year (9 - 10)</b>		<b>2,859,799</b>	<b>2,547,062</b>
<b>12</b>	<b>Earning per equity share of nominal value of ₹ 10/- each</b>	19		
	Basic and Diluted (Before extraordinary item)		0.42	0.37
	Basic and Diluted (After extraordinary item)		N.A.	N.A.

**The accompanying notes 1 to 22 are an integral part of the financial statements.**

As per our report of even date

**For P. M. Turakhia & Associates**  
Chartered Accountants  
Firm Registration No: 111086W

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

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

**Soniya P. Sheth**  
Managing Director

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

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

**S. Chacko**  
Director

**U. K. Jha**  
Director

Place : Mumbai  
Date : 30.05.2015

**Dhwani P. Sheth**  
Chief Finance Officer

**Padmini Ravindran**  
Company Secretary

# KUNSTSTOFFE INDUSTRIES LTD.

## Cash Flow Statement for the year ended 31 March, 2015

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	₹	₹	₹	₹
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		2,859,799		(3,930,477)
<u>Adjustments for:</u>				
Depreciation and amortisation	10,021		6,677,906	
Rental Income From Investment Properties	(240,000)		(240,000)	
Commission Received	(888,182)		-	
Loss on sale / Discardment of Fixed Assets (Net)	1,414,780		45,194	
Interest income	(44,934)	251,685	(154,339)	6,328,761
Operating profit / (loss) before working capital changes		3,111,484		2,398,284
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	640,522		653,571	
Short-term loans and advances	(48,012)		(2,417,842)	
Long-term loans and advances	308,024		(42,571)	
Other current assets	-	900,534	45,992	(1,760,850)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	637,557		3,997,921	
Other current liabilities	(52,417)		542	
Short-term provisions	94,870	680,010	-	3,998,463
<u>Cash Generated from Operations</u>		4,692,028		4,635,897
Interest Paid		-		-
Cash Before Extraordinary Items		4,692,028		4,635,897
Cash flow from extraordinary items		-		202,757,557
Cash generated from operations		4,692,028		207,393,454
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>4,692,028</b>		<b>207,393,454</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances				(13,472,407)
Proceeds from sale of fixed assets		700,000		-
Loans realised				30,000
- Others		-		
Interest received				154,339
- Others		44,934		
<u>Other non-operating income comprises:</u>				
Rental income from investment properties	240,000		240,000	
Commission Received	888,182	1,128,182	-	240,000
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>1,873,116</b>		<b>(13,048,068)</b>
<b>C. Cash flow from financing activities</b>				
Share application money received / (refunded)				7,700,000
Repayment of amount borrowed		(6,800,000)		(201,335,061)
Capital Reduction Expenses		-		-
Finance cost		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(6,800,000)</b>		<b>(193,635,061)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(234,856)</b>		<b>710,325</b>
Cash and cash equivalents at the beginning of the year		1,305,117		375,507
Effect of exchange differences on restatement of foreign currency		-		-
Cash and cash equivalents		<b>1,070,261</b>		<b>1,085,832</b>
<b>Cash and cash equivalents at the end of the year</b>				

## Notes forming part of the financial statements

Note 1: Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	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>

<b>Footnotes:</b>				
(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year	As at 31 March, 2015		As at 31 March, 2014	
	Nos.		Nos.	
<b>Number of shares at the beginning of the year</b>	6,890,000		11,850,000	
<u>Add/(Less):</u>				
Issued during the year	-		2,150,000	
Capital Reduction during the year	-		(7,110,000)	
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) Capital reduction has taken place during the year as per BIFR order dtd. 08.03.2013, details provided are as under:
As on 01.04.2013, 14,960 Equity Share holders were holding 1,18,50,000 shares. During the year, number of shares are reduced by 60% i.e. 71,10,000 shares wide BIFR Order dtd. 08.03.2013. Also during the year further allotment of 21,50,000 shares were made. Hence, Balance as at the end of the year is 14,965 share holders holding 68,90,000 shares at ₹ 10/- per share.

<b>(iii) Details of shares held by each shareholder holding more than 5% shares:</b>				
Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Nos.	% holding	Nos.	% holding
<b>Equity shares with voting rights</b>				
Pravin V Sheth	979,399	14.21	979,399	14.21
Bharat Equity Services Ltd.	581,866	8.45	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
Marfatia Stock Broking Pvt Ltd.	-	-	-	-

## KUNSTSTOFFE INDUSTRIES LTD.

### (iv) Terms / rights attached to Equity Shares :

The Company has a single class of equity shares having a 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.

### Note 2: Reserves and surplus

Particulars	As at 31 March,2015	As at 31 March, 2014
	₹	₹
<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	-	-
Closing balance	76,664,458	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	67,072,939
<b>(d) Capital reduction reserve</b>		
Opening balance	70,508,254	-
Add: Additions during the year	-	71,100,000
Less: Capital reduction expenses	-	591,746
Closing balance	70,508,254	70,508,254
<b>(e) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(390,466,040)	(393,013,102)
Add: Profit / (Loss) for the year	2,859,799	2,547,062
Closing balance	(387,606,241)	(390,466,040)
<b>Total</b>	<b>46,389,410</b>	<b>43,529,611</b>

### Note 3: Share application money pending allotment

Particulars	As at 31 March,2015	As at 31 March, 2014
	₹	₹
Share application money pending allotment	-	-



<b>Note 4: Long-term borrowings</b>		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
<b>(a) Term loans (Secured) (Refer footnote)</b>		
From Related Party	10,000,000	10,000,000
<b>(b) Other Loans and advances (Unsecured) (Refer footnote)</b>		
From Related Party	-	800,000
From Other Party	-	6,000,000
<b>Total</b>	<b>10,000,000</b>	<b>16,800,000</b>

<b>Footnote:</b>
<b>(i) Secured Term Loan from Related Parties</b> consists of loan bearing no interest from Gayatri Pipes & Fittings Pvt Ltd. for a period as may be agreed upon between the parties having first charge on all immovable properties both present & future AND first charge on all movables including Plant & Machinery, Spares, Tools, etc. present & future and plot & land at Kadaiya village, Daman, Bearing S.No. 107/1 admeasuring 6,000 sq mtrs with Building thereon and Plant & machinery, etc.
<b>(ii) Unsecured Loans and advances from Related Party</b> consists of loan bearing no interest from Pravin V. Sheth for a period as may be agreed upon between the parties.
<b>(ii) Unsecured Loans and advances from other party</b> consists of loan bearing no interest from A.M. Reality Pvt. Ltd. for a period as may be agreed upon between the parties.

<b>Details of repayment of Long term Borrowings are as follows:</b>				
Particulars	Up to 1 year	2 to 5 years	Above 5 years	Total
<b>Term Loan from Related Party</b>	-	-	10,000,000	10,000,000
Other loans and advances from related parties	-	-	-	-
<b>Other loans and advances from related parties</b>	-	-	6,000,000	6,000,000
<b>Total</b>	-	-	<b>16,000,000</b>	<b>16,000,000</b>

<b>Disclosures under AS 18</b>	
<b>Related party transactions</b>	
<b>Details of related parties:</b>	
Description of relationship	Names 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.	

## KUNSTSTOFFE INDUSTRIES LTD.

Details of related party transactions during the year :		
Particulars	Current Year	Previous Year
	₹	₹
<b><u>Remuneration &amp; Perquisites</u></b>		
Soniya Sheth	1,143,333	1,022,531
<b><u>Term Loan from related party</u></b>		
Gayatri Pipes & Fittings Pvt Ltd.	10,000,000	10,000,000
<b><u>Loans and Advances - Liability</u></b>		
Mr. Pravin V. Sheth	-	800,000
<b><u>Loans and advances - Assets</u></b>		
Stallion Breweries Ltd.	-	5,000
<b><u>Rent Paid</u></b>		
Pravin Sheth	-	72,000
Dhwani Sheth	-	72,000

Note 5: <u>Short Term Provisions</u>		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
Provision for employee benefits	307,980	213,110
<b>Total</b>	<b>307,980</b>	<b>213,110</b>

Note 6: <u>Trade payables</u>		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
<b><u>Trade payables**</u></b>		
Creditors for Expenses	1,374,031	736,474
<b>Total</b>	<b>1,374,031</b>	<b>736,474</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 7: <u>Other current liabilities</u>		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
<b><u>Other payables</u></b>		
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	54,810	107,227
<b>Total</b>	<b>54,810</b>	<b>107,227</b>

<b>Note 9: Long Term Advances</b>		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
<b>(Secured, considered good)</b>		
(a) <u>Advances</u>		
To related parties (Refer footnote to Note 4)	5,000	5,000
<b>(Unsecured, considered good)</b>		
(a) <u>Advances</u>		
To other parties	100,000	100,000
(b) <u>Security deposit</u>	-	-
(c) <u>Other loans and advances</u>		
To employees	8,000	52,000
(d) <u>Balances with government authorities</u>		
TDS - A.Y. 2013-14	-	260,250
A.Y. 2014-15	-	342,124
TDS - A.Y. 2015-16	338,350	
<b>Total</b>	<b>451,350</b>	<b>759,374</b>

<b>Note 10: Trade receivables</b>		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
<b>Trade receivables (Unsecured, considered good)</b>		
Outstanding for a period <b>NOT exceeding six months</b> from the date they were due for payment	4,995,813	5,636,335
Less: Provision for doubtful trade receivables	-	-
<b>Total</b>	<b>4,995,813</b>	<b>5,636,335</b>

<b>Note 11: Cash and cash equivalents</b>		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Cash on hand	619,655	709,537
(b) Balances with banks		
In current accounts	450,604	595,580
<b>Total</b>	<b>1,070,259</b>	<b>1,305,117</b>

**KUNSTSTOFFE INDUSTRIES LTD.**

<b>Note 12: <u>Short-term loans and advances</u></b>		
<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
	₹	₹
<b><u>Unsecured, considered good</u></b>		
(a) Prepaid expenses	15,991	58,080
(b) Balances with government authorities		
(i) CENVAT credit	2,293,717	2,293,717
(ii) Service Tax credit	527,678	437,577
(c) Security Deposit - Others	163,000	163,000
<b>Total</b>	<b>3,000,386</b>	<b>2,952,374</b>

<b>Note 13: <u>Other current assets</u></b>		
<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
	₹	₹
(a) Others		
Rent Receivable	18,000	18,000
<b>Total</b>	<b>18,000</b>	<b>18,000</b>

## Note No: 13A

Tangible assets	Gross block						Accumulated depreciation and impairment						Net block	
	Balance as at 1 April, 2014	Additions	Disposals	Other adjustments	Balance as at 31 March 2015	Balance as at 1 April, 2014	Depreciation expense for the year	Eliminated on disposal of assets	Other Adjustments	Balance as at 31 March, 2015	Balance as at 31 March, 2015	Balance as at 31 March, 2014	Balance as at 31 March, 2014	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
(a) Freehold Land	24,000,000	-	-	-	24,000,000	-	-	-	-	-	24,000,000	24,000,000	24,000,000	
(b) Buildings	12,501,730	-	-	-	12,501,730	3,953,611	-	-	-	3,953,611	8,548,119	8,548,119	8,548,119	
(c) Plant and Equipment**	214,448,673	-	-	-	214,448,673	129,523,243	-	-	-	129,523,243	84,925,430	84,925,430	84,925,430	
(d) Furniture and Fixtures	144,275	-	-	-	144,275	144,275	-	-	-	144,275	-	-	-	
(e) Vehicles	2,773,009	-	2,773,009	-	-	668,229	(15,662)	511,211	131,356	-	-	2,114,780	2,114,780	
(f) Office equipment	434,118	-	-	-	434,118	434,118	-	-	-	434,118	-	-	-	
(g) Computer	211,439	-	-	-	211,439	184,546	25,683	-	15,663	194,566	16,873	26,893	26,893	
Total	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	119,615,222	
	254,475,481	-	-	37,763	254,513,244	128,191,376	6,706,583	-	63	134,898,022	119,615,222	126,284,105	126,284,105	

## KUNSTSTOFFE INDUSTRIES LTD.

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, 2014	31 March, 2013	31 March, 2012	31 March, 2011	31 March, 2010
	₹	₹	₹	₹	₹
<b>FREE HOLD LAND</b>					
Opening balance	24,000,000	24,000,000	15,000,000	15,000,000	15,000,000
Added on revaluation	-	-	9,000,000	-	-
Closing balance	<b>24,000,000</b>	<b>24,000,000</b>	<b>24,000,000</b>	<b>15,000,000</b>	<b>15,000,000</b>
<b>FACTORY BUILDINGS</b>					
Opening balance	8,851,556	9,084,998	7,106,316	7,360,657	7,614,998
Written off on revaluation	-	233,442	254,341	254,341	254,341
Added on revaluation	-	-	2,233,023	-	-
Closing balance	<b>8,851,556</b>	<b>8,851,556</b>	<b>9,084,998</b>	<b>7,106,316</b>	<b>7,360,657</b>
<b>PLANT &amp; MACHINERY - 1</b>					
Opening balance	120,703,123	126,647,838	17,182,642	17,995,265	18,791,631
Written off on revaluation	-	5,944,715	821,545	812,623	796,366
Added on revaluation	-	-	110,286,741	-	-
Closing balance	<b>120,703,123</b>	<b>120,703,123</b>	<b>126,647,838</b>	<b>17,182,642</b>	<b>17,995,265</b>
<b>PLANT &amp; MACHINERY - 2</b>					
Opening balance	2,858,691	3,001,250	3,167,500	3,333,750	3,500,000
Written off on revaluation	-	142,559	166,250	166,250	166,250
Closing balance	<b>2,858,691</b>	<b>2,858,691</b>	<b>3,001,250</b>	<b>3,167,500</b>	<b>3,333,750</b>
<b>PLANT &amp; MACHINERY - 3</b>					
Opening balance	308,710	325,206	344,444	363,682	382,920
Written off on revaluation	-	16,496	19,238	19,238	19,238
Closing balance	<b>308,710</b>	<b>308,710</b>	<b>325,206</b>	<b>344,444</b>	<b>363,682</b>
<b>LAB &amp; OFFICE EQUIPMENT</b>					
Opening balance	68,126	68,126	71,926	75,726	79,526
Written off on revaluation	-	-	3,800	3,800	3,800
Closing balance	<b>68,126</b>	<b>68,126</b>	<b>68,126</b>	<b>71,926</b>	<b>75,726</b>
<b>COMPUTERS</b>					
Opening balance	20,334	27,595	35,126	28,587	34,118
Written off on revaluation	-	7,261	7,531	-	5,531
Added on revaluation	-	-	-	6,539	-
Closing balance	<b>20,334</b>	<b>20,334</b>	<b>27,595</b>	<b>35,126</b>	<b>28,587</b>
<b>VEHICLES</b>					
Opening balance	2,378,216	2,641,652	2,773,009	-	-
Written off on revaluation	-	263,436	131,357	-	-
Closing balance	<b>2,378,216</b>	<b>2,378,216</b>	<b>2,641,652</b>	-	-

<b>Notes forming part of the financial statements</b>		
<b>Note 14: Revenue from operations</b>		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Sale of services (Labour Charges)	15,672,945	15,841,570
<b>Total</b>	<b>15,672,945</b>	<b>15,841,570</b>

<b>Notes forming part of the financial statements</b>		
<b>Note 15: Other Income</b>		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
(a) <u>Interest income</u>		
On Income tax refund	31,536	51,650
On fixed deposit	8,836	44,934
On Others	-	2,781
(b) Provision for doubtful trade receivables written back	-	1,992,214
(c) Rental income from investment properties	240,000	240,000
(d) Bad debt recovered	-	4,500
(e) Commission Received	-	888,182
<b>Total</b>	<b>280,372</b>	<b>3,224,261</b>

<b>Note 16: Employee benefits expense</b>		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Salaries and wages	3,746,173	3,140,180
Contributions to provident and other funds (Refer footnote)	370,546	295,490
Staff welfare expenses	203,579	195,995
<b>Total</b>	<b>4,320,298</b>	<b>3,631,665</b>

<b>Disclosure under AS 15</b>
<b>Employee benefit plans ( Defined contribution plans)</b>
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 ₹ 3,70,546/- (Year ended 31 March, 2014 ₹ 2,95,490/-) for Provident Fund contributions and N.A. (Year ended 31 March, 2015 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.

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<b>Note 17: Other expenses</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
	<b>₹</b>	<b>₹</b>
<b><u>Manufacturing Expense</u></b>		
Consumption of stores and spare parts	22,055	47,813
Power and fuel	4,132,420	3,685,138
<b><u>Administration Expense</u></b>		
AGM Expenses	-	80
E-Voting Expenses	570,157	-
Bank Charges	4,241	2,333
Canteen Expenses	785	1,472
Communication (Telephone Expenses)	147,892	141,571
Coolie & Cartage Expenses	17,700	15,500
Data Processing Charges	106,938	59,763
Festival Expenses	13,000	-
Gift and Donation	8,150	-
Gardening Expenses	31,090	-
Insurance	52,834	86,243
Legal and professional	79,378	5,000
Miscellaneous expenses	144	1,451
Office Expenses	86,818	15,826
Payments to auditors (Refer footnote)	62,000	61,500
Postage & Telegram	21,979	945
Printing and stationery	131,074	89,998
Rates and taxes	179,674	340,872
Rent	120,000	144,000
Repairs and maintenance - Buildings	24,300	6,700
Repairs and maintenance - Machinery	186,950	450,723
Repairs and maintenance - Others	74,410	25,204
Security Charges	984,204	757,070
Service Tax	-	10,850
Travelling and conveyance	176,706	154,765
Website expenses	3,124	-
<b><u>Selling &amp; Distribution Expense</u></b>		
Advertisement & Publicity	110,396	79,202
<b>Total</b>	<b>7,348,419</b>	<b>6,184,019</b>



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<b>Footnotes:</b>		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
<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	20,000	20,000
For other services -VAT Audit	2,000	1,500
<b>Total</b>	<b>62,000</b>	<b>61,500</b>

<b>Note 18: Exceptional Item (Income)</b>		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Refund of TDS over provision made	-	3,561
Loss on sale of Motor Car	(1,414,780)	-
<b>Total</b>	<b>(1,414,780)</b>	<b>3,561</b>

<b>Note 19: Earnings Per Share</b>		
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Net Profit as per statement of profit and loss before extraordinary item (₹)	2,859,799	2,547,062
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>0.42</b>	<b>0.37</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>

CALCULATION OF CASH PROFIT	₹
Profit / (Loss) before exceptional and extraordinary items and tax	4,274,579
<b>ADD:</b>	
Depreciation and amortisation expense	10,021
<b>CASH PROFIT</b>	<b>4,284,600</b>

# KUNSTSTOFFE INDUSTRIES LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

### NOTE '20' : 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 '21' : SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements have been prepared and presented complying the section 134(5) of Companies Act, 2013 in accordance with the accounting principles generally accepted in India and in accordance with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Guidance Notes and other relevant provisions of the Companies Act, 2013.

Accounting polices 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.

#### IV. Tangible assets and depreciation / amortisation

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 has been provided on Revalued Figures.

## NOTE '21' (Contd. )

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

- C. Depreciation is provided on the straight line method on the basis of useful life of the asset in the manner specified in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.
- i No Depreciation has been provided on Office Building as same has not been in use for the business of the company during the Current year.
  - ii In respect of assets acquired on 01.01.1994 and thereafter at revised rates specified in the said Schedule vide Notification No 756 E dated 16.12.93 and as clarified in Circular No. 14 dated 20.12.1993 issued by the Department of the Company Affairs.
  - iii In respect of assets on hand as on 31.12.93 at the rates in force prior to the abovementioned notification.

**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 the business of Jobworks for Processing of HDPE/PP Pipes, etc, 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 favourable change in the estimate of the recoverable amount.

**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.

# KUNSTSTOFFE INDUSTRIES LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

### NOTE '22' : OTHER NOTES ON ACCOUNTS

- I. 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 year.
- II. The Company has revalued Fixed Assets, Investments and Loans & Advances for the year ended 31.12.2007; Fixed Assets & Investments for the year ended 31.03.2009 and Fixed Assets for the year ended 31.03.2012. The Revaluation of the year ended 31.03.2007 has resulted into a loss of ₹ 14,79,06,784/- and the same has been debited to Profit & Loss Account and shown below the line as "Extra Ordinary Items". Similarly, the Revaluation of the year ended 31.03.2009 has resulted into a Profit of ₹ 2,89,66,113/- and the same has been credited to Profit & Loss Account as "Profit on Revaluation of Assets" and shown below the line. So also, the Revaluation of the year ended 31.03.2012 has resulted into a Profit of ₹ 12,15,19,764/- and the same has been credited to the Revaluation Reserve Account and shown in the Balance Sheet as at 31.03.2012 under the head, Reserves & Surplus. At the time of earlier revaluations carried out as on 31.12.2007 & 31.03.2009, the Gross Block was shown at Revalued Figures instead of Cost. Hence the same has been rectified in the year under consideration i.e. as at 31.03.2012 by replacing the Gross Cost of the Assets deducting the loss on revaluation and adding the profit on revaluation carried out as at 31.12.2007 & 31.03.2009 respectively. The difference of ₹ 4,48,55,306/- between the under depreciation provided on reduced value of the said assets for the year commencing from 01.01.2008 to 31.03.2009 (i.e. for a period of 15 months) and the over depreciation provided on the increased value of the said assets has been debited to the Revaluation Reserve Account of the year under consideration viz. 31.03.2012.
- III. "The liability of ₹ 46,98,30,496.00/- was created in favour of Gayatri Pipes & Fittings Pvt. Ltd. As under:  
1) ₹ 26,70,72,939.00/- by debiting IDBI A/c for taking over it's liability on 31.03.2008.  
2) ₹ 20,27,57,557.00/- by debiting P/L A/c as Prior year adjustment on 20.03.2011.  
In the year 2012-13, the Company has transferred Rs. 26,70,72,939.00/- to General reserve as the said liability is waived by Gayatri Pipes & Fittings Pvt. Ltd. as per their undertaking given to BIFR. Also, the Company has transferred ₹ 20,27,57,557/- to P/L A/c and shown under the head "Prior year Adjustment" as Gayatri Pipes & Fittings Pvt. Ltd. as per the same undertakings given to BIFR."
- IV. No Provision for Income Tax liability has been made in terms of BIFR Order dated 08.03.2013 under which vide clause 10.3(iii) the company is exempt from the applicability of minimum Alternate tax (MAT) under section 115JB of the income Tax Act, 1961.
- V. Debtors and Creditors balances are subject to confirmations from the parties.
- VI. In the opinion of the Board of Directors the Current Assets, Loans & 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.
- VII. Figures of the previous year have been re-grouped / rearranged /reclassified wherever necessary.

As per our report of even date

**For P. M. Turakhia & Associates**  
**Chartered Accountants**  
Firm Registration No: 111086W

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

Place : Mumbai  
Date : 30.05.2015

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

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

**Dhwani P. Sheth**  
**Chief Finance Officer**

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

**Soniya P. Sheth**  
**Managing Director**

**S. Chacko**  
**Director**

**Padmini Ravindran**  
**Company Secretary**

**U. K. Jha**  
**Director**

**KUNSTSTOFFE INDUSTRIES LIMITED**

Registered office: Kiran Bldg., 128, Bhaudaji Road, Matunga, Mumbai – 400 019.  
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 29th Annual General Meeting of the Company being held on Tuesday 29th September 2015 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: .....or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 29th Annual General Meeting of the Company to be held on Tuesday, 29th September 2015 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:

# KUNSTSTOFFE INDUSTRIES LTD.

Optional\*

Resolution No.	Resolution	For	Against
1	Consider and adopt the Reports of Auditors, Directors and Audited Financial Statements for the Year ended 31st March, 2015.		
2	Appointment of Mrs. 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.		
4	Reappointment of Mr.S. C. Asnotkar as an Independent Director.		
5	Appointment of Mr. Rajender J. Sharma as an Independent Director.		

Signed this..... day of .....2015.

Signature of shareholder (s).....

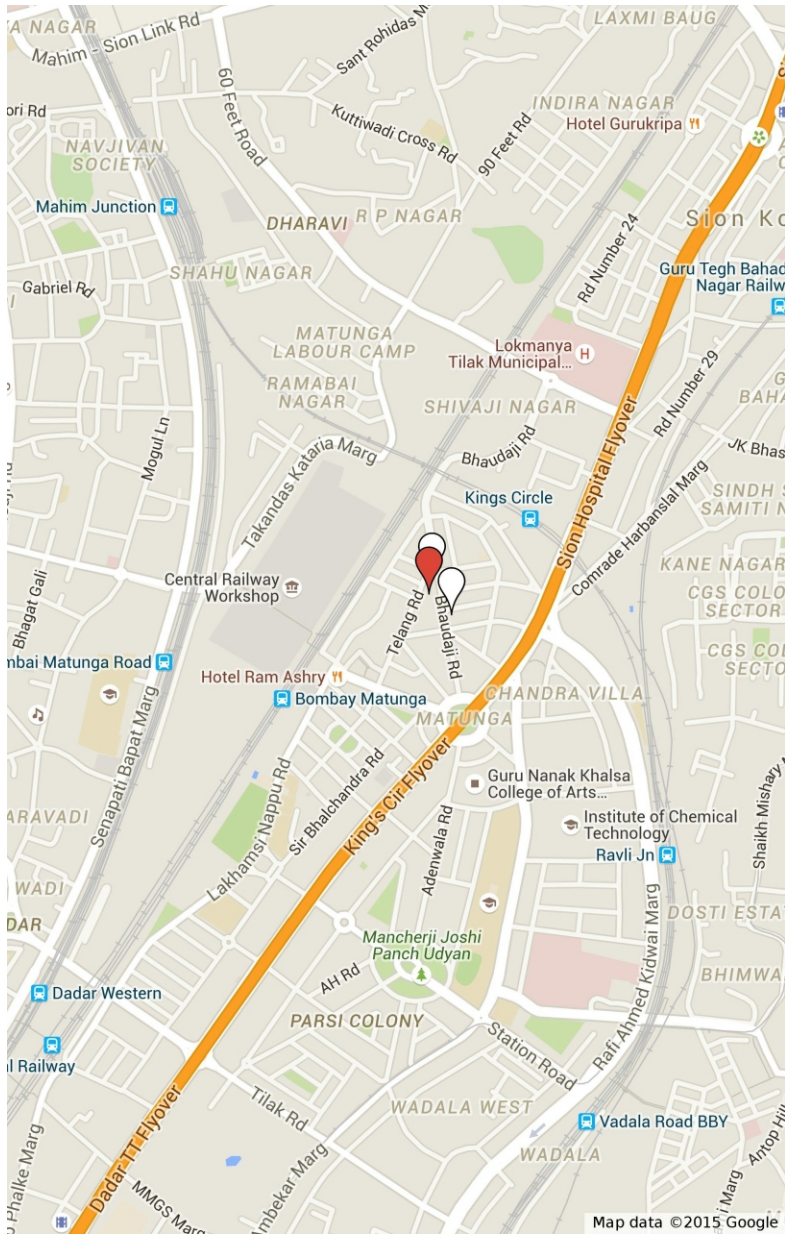
Signature of Proxy holders (s).....

Affix 15 Paise 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 29th Annual General Meeting.
- \* (3) It is optional to put a '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.