

KUNSTSTOFFE INDUSTRIES LIMITED
Balance Sheet as at 31 March, 2012

Particulars		Note No.	As at 31 March, 2012	As at 31 March, 2011
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	118,500,000	118,500,000
	(b) Reserves and surplus	2	(495,425,724)	(571,064,612)
			(376,925,724)	(452,564,612)
2	Share application money pending allotment	18.1	13,800,000	4,800,000
3	Non-current liabilities			
	(a) Long-term borrowings	3	490,208,000	484,063,162
4	Current liabilities			
	(a) Short-term borrowings	4	-	5,044,000
	(b) Trade payables	5	835,991	973,048
	(c) Other current liabilities	6	14,301	17,470
	TOTAL		127,932,568	42,333,068
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	7	119,489,605	41,457,813
2	Current assets			
	(c) Trade receivables	8	6,193,449	-1,992,214
	(d) Cash and cash equivalents	9	375,507	618,608
	(e) Short-term loans and advances	10	1,810,015	2,184,869
	(f) Other current assets	11	63,992	63,992
			8,442,963	875,255
	TOTAL		127,932,568	42,333,068
	See accompanying notes forming part of the financial statements		-	-

In terms of our report attached.

For P. M. Turakhia & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Pragna Patel
Partner
M. No: 133872

PRAVIN SHETH - Director
B H SHAH - Director
SUDHIR SHETH - Director
S C ASNOTKAR - Director

SONIYA SHETH
Executive Director

Place : Mumbai
Date : 30.07.2012

Place : Mumbai
Date : 30.07.2012

(Statement of Profit and Loss without stating EBITDA)

KUNSTSTOFFE INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31 March, 2012

Particulars		Note No.	For the year ended 31 March, 2012	For the year ended 31 March, 2011
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	12	8,853,005	13,607,764
2	Other income	13	262,000	307,225
3	Total revenue (1+2)		9,115,005	13,914,989
4	Expenses			
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	14	-	43,443
	(d) Employee benefits expense	15	3,228,941	2,442,735
	(f) Depreciation and amortisation expense	7.C	1,405,676	1,256,123
	(g) Other expenses	16	5,505,958	4,581,413
	Total expenses		10,140,575	8,323,714
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		-1,025,570	5,591,275
8	Revaluation reserve/Extraordinary items	17	-	-199,400,241
9	Profit / (Loss) before tax (7 ± 8)		-1,025,570	-193,808,966
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For P. M. Turakhia & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Pragna Patel

M. No: 133872

PRAVIN SHETH - Director
B H SHAH - Director
SUDHIR SHETH - Director
S C ASNOTKAR - Director

SONIYA SHETH
Executive Director

Place : Mumbai
Date : 30.07.2012

Place : Mumbai
Date : 30.07.2012

CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES

Name of the Company

Cash Flow Statement for the year ended 31 March, 2012

Particulars	For the year ended		For the year ended	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		-1,265,569		5,351,275
<u>Adjustments for:</u>				
Depreciation and amortisation	1,405,675		1,256,123	
Expense on employee stock option scheme	-	1,405,675	-	1,256,123
Net unrealised exchange (gain) / loss				
Operating profit / (loss) before working capital changes		140,106		6,607,398
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	-		45,368	
Trade receivables	-8,203,663		11,305,073	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	-140,227	-8,343,890	470,842	11,821,283
		-8,203,784		18,428,681
Cash flow from extraordinary items				-199,400,241
Cash generated from operations				
Net income tax (paid) / refunds				
Net cash flow from / (used in) operating activities (A)		-8,203,784		-180,971,560

CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES

Name of the Company

Cash Flow Statement for the year ended 31 March, 2012 (Contd.)

Particulars	For the year ended		For the year ended	
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances				
Proceeds from sale of fixed assets	(2773009)		(316116)	
Loans realised				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others	392854		(864496)	
Rental income from investment properties	240000		240000	
Amounts received from LLPs				
Cash flow from extraordinary items		(2140155)		(940612)
		0		0
Net income tax (paid) / refunds				
Net cash flow from / (used in) investing activities (B)		(2140155)		(940612)

CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES

Name of the Company

Cash Flow Statement for the year ended 31 March, 2012 (Contd.)

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
C. Cash flow from financing activities				
Share application money received / (refunded)	9000000		4800000	
Proceeds from long-term borrowings	6144838		171156831	
Repayment of other short-term borrowings	(5044000)		5044000	
Tax on dividend		10100838		181000831
Cash flow from extraordinary items				
		10100838		181000831
Net cash flow from / (used in) financing activities (C)				
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-243101		-911341
Cash and cash equivalents at the beginning of the year		618608		1529949
Cash and cash equivalents at the end of the year		375507		618608
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)				
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i> (give details)				
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>) included in Note 19				
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>) (Refer Note (ii) to Note 16 Current investments)				
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand				
(b) Cheques, drafts on hand				
(c) Balances with banks				
(i) In current accounts				
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 3 months				
(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
(d) Others (specify nature)				
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)				
		375507		618608

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For P. M. Turakhia & Associates

Chartered Accountants

Pragna Patel
Partner
M. No: 133872

Place : Mumbai
Date : 30.07.2012

For and on behalf of the Board of Directors

PRAVIN SHETH - Director
B H SHAH - Director
SUDHIR SHETH - Director
S C ASNOTKAR - Director

SONIYA SHETH
Executive Director

Place : Mumbai
Date : 30/07/2012

Particulars				
Notes:				
(iv) Details of shares held by each shareholder holding more than 5% shares:				
Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Pravin V Sheth	1,103,084	9.309	989,033	8.346
Chemical And Alkali Distributors Limited	957,848	8.083	957,848	8.083
Bharat Equity Services Ltd	1,608,626	13.575	685,584	5.786
Marfatia Stock Broking Pvt Ltd	-	0	810,909	6.843

Note 2 Reserves and surplus

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Securities premium account		
Opening balance	19,750,000	19,750,000
Closing balance	19,750,000	19,750,000
(b) Revaluation reserve		
Opening balance	-	-
Add: Addition on revaluations during the year	121,519,764	-
Less: Utilised for set off against depreciation	44,855,306	-
Closing balance	76,664,458	-
(c) Other reserves (Profit & Loss Accounts)		
Opening balance	(590,814,612)	(397,005,646)
Add: Additions during the year	-	(193,808,966)
Closing balance	(590,814,612)	(590,814,612)
	(1,025,570)	
Total	(495,425,724)	(571,064,612)

Note 3 Long-term borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Term loans		
From banks		
Secured	-	22,000,000
	-	22,000,000
(b) Other loans and advances		
Secured	490,208,000	462,063,162
	490,208,000	462,063,162
Total	490,208,000	484,063,162

Particulars					
Notes:					
(iii) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:					
Particulars	Terms of repayment and security*	As at 31 March, 2012		As at 31 March, 2011	
		Secured	Unsecured	Secured	Unsecured
Term loans from banks: Bank of Baroda	For Working Capital Requirements secured by hypothecation of Raw Material, Finished & consumable Gooda and book debts and Second mortgage and gcharge in all the immovable and movable assets, present & future of the company.	-	-	22,000,000	-
Total - Term loans from banks		-	-	22,000,000	-
Other loans and advances: Gayatri Pipes & Fittings Pvt. Ltd.	takenover in terms of deed of assignments entered into between IDBI & Company.	490,208,000	-	462,063,162	-
Total - Other loans and advances		490,208,000	-	462,063,162	-

Note 4 Short-term borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
(b) Loans and advances from related parties (Refer Note below) Unsecured	-	44,000
(d) Other loans and advances Unsecured	-	5,000,000
Total	-	5,044,000

Particulars	
Related party transactions	
Details of related parties:	
Description of relationship	Names of related parties
Director	Pravin V Sheth
Note: Related parties have been identified by the Management.	

Note 5 Trade payables

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade payables:		
Acceptances	835,991	973,048
Total	835,991	973,048

Note 6 Other current liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
(j) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	14,301	17,470
Total	14,301	17,470

Note 8 Trade receivables

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	8,185,662	-
Less: Provision for doubtful trade receivables	1,992,214	1,992,214
Total	6,193,448	-1,992,214

Note 9 Cash and cash equivalents

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Cash on hand	143,583.00	192,396.00
(b) Balances with banks		
(i) In current accounts	231,924.00	426,212.00
Total	375,507.00	618,608.00

Note 10 Short-term loans and advances

Particulars	As at 31 March,	As at 31 March,
	2012	2011
(a) Loans and advances to related parties (Refer Note below) Unsecured, considered good	105,000	5,000
(b) Security deposits Secured, considered good	504,000	504,000
(c) Loans and advances to employees Secured, considered good	157,500	191,000
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	52,600	78,900
(e) Balances with government authorities Unsecured, considered good (ii) VAT credit receivable (iii) Service Tax credit receivable (iv) Others - TDS	17,827.00 254,963.00 718,125.00	15,617.00 164,332.00 726,020.00
Total	1,810,015.00	1,684,869.00
(f) Others (specify) Unsecured, considered good	-	500,000
Total	1,810,015	2,184,869

Particulars	
Related party transactions	
Details of related parties:	
Description of relationship	Names of related parties
Common Director - Pravin Sheth	Bharat Capital & Holding Ltd.
Common Director - Soniya Sheth	Stallion Breweries Ltd.
Note: Related parties have been identified by the Management.	

Note 11 Other current assets

Particulars	As at 31 March,	As at 31 March,
	2012	2011
(a) Accruals (i) Interest accrued on deposits	45,992	45,992
(b) Others (i) Others -Rent Receivable	18,000	18,000
Total	63,992	63,992

Note 7 Fixed assets (contd.)

A	Tangible assets	Accumulated depreciation and impairment							Net block		
		Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(a) Land Freehold	-	-	-	-	-	-	-	24,000,000	15,000,000	
	(b) Buildings Own use	3,162,389	254,341	-	-	-	-69,997	3,346,733	9,154,997	7,106,318	
	(c) Plant and Equipment Owned	71,462,899	1,007,033	-	-	-	44,819,408	117,289,340	83,681,023	19,220,724	
	(d) Furniture and Fixtures Owned	121,029	1,614	-	-	-	21,632	144,275	-	23,245	
	(e) Vehicles Owned	-	131,357	-	-	-	-	131,357	2,641,652	-	
	(f) Office equipment Owned	361,718	3,800	-	-	-	68,600	434,118	-	72,400	
	(g) Others (computers), Owned	144,453	7,531	-	-	-	15,663	167,647	11,932	35,126	
	Total	75,252,488	1,405,676	-	-	-	44,855,306	121,513,470	119,489,604	41,457,813	
	Previous year	1,253,709	1,256,123	-	-	-	-	2,509,832	41,457,813	42,397,821	

Note 7 Fixed assets (contd.)

Particulars

C.	Depreciation and amortisation relating to continuing operations:	For the year ended	For the year ended
		31 March, 2012	31 March, 2011
	Particulars		
	Depreciation and amortisation for the year on tangible assets as per Note 12 A	1,405,676	1,256,123
	Depreciation and amortisation for the year on intangible assets as per Note 12 B		
	Less: Utilised from revaluation reserve		
	Depreciation and amortisation relating to discontinuing operations (Refer Note 30.11)		
	Depreciation and amortisation relating to continuing operations		

Notes:

(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:

Particulars		Year				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Dec-07
? Details to be provided for each class of asset	LAND					
Opening balance		15,000,000	15,000,000	15,000,000	3,000,000	2,235,250
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		-	-	-	-	-
Added on revaluation						
Date		31.03.2012			31.03.2009	31.03.2007
Amount		9,000,000	-	-	12,000,000	764,750
Balance as at 31 March		24,000,000	15,000,000	15,000,000	15,000,000	3,000,000

Particulars		Year				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Dec-07
? Details to be provided for each class of asset	FACTORY BUILDINGS					
Opening balance		7,106,316	7,360,657	7,614,998	4,132,213	6,637,800
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		254,341	254,341	254,341	221,766	2,507,492
Added on revaluation						
Date		31.03.2012			31.03.2009	31.03.2007
Amount		2,233,023	-	-	3,704,551	219,857
Balance as at 31 March		6,851,975	7,106,316	7,360,657	3,910,447	4,130,308

DEPRECIATION RESERVE

Particulars		Year				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Dec-07
? Details to be provided for each class of asset	PLANT & MACHINERIES 1					
Opening balance		15,112,327	15,395,361	16,190,627	9,212,563	203,704,291
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		821,545	812,623	796,366	325,878	52,520,079
Added on revaluation						
Date		31.03.2012	-	-	31.03.2009	31.03.2007
Amount		110,286,741	-	-	9,904,946	-141,971,649
Balance as at 31 March		124,577,523	15,112,327	15,395,361	16,190,627	9,212,563

DEPRECIATION RESERVE

Particulars		Year				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Dec-07
? Details to be provided for each class of asset	PLANT & MACHINERIES - 2					
Opening balance		3,167,500	3,333,750	3,500,000	1,508,220	18,314,585
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		166,250	166,250	166,250	738,779	12,051,476
Added on revaluation						
Date		31.03.2012	-	-	31.03.2009	31.03.2007
Amount		-	-	-	2,730,559	-4,754,889
Balance as at 31 March		3,001,250	3,167,500	3,333,750	3,500,000	1,508,220

DEPRECIATION RESERVE

Particulars		Year				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Dec-07
? Details to be provided for each class of asset	PLANT & MACHINERIES - 3					
Opening balance		344,444	363,682	382,920	354,157	2,337,658
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		19,238	19,238	19,238	54,291	715,761
Added on revaluation						
Date		31.03.2012	-	-	31.03.2009	31.03.2007
Amount		-	-	-	83,054	-1,267,740
Balance as at 31 March		325,206	344,444	363,682	382,920	354,157

DEPRECIATION RESERVE

Particulars		Year				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Dec-07
? Details to be provided for each class of asset	LAB & OFFICE EQUIPMENT					
Opening balance		71,926	75,726	79,526	28,101	735,130
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		3,800	3,800	3,800	17,852	326,017
Added on revaluation						
Date		31.03.2012	-	-	31.03.2009	31.03.2007
Amount		-	-	-	69,277	-381,012
Balance as at 31 March		68,126	71,926	75,726	79,526	28,101

DEPRECIATION RESERVE

Particulars		Year				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Dec-07
? Details to be provided for each class of asset	FURNITURE & FIXTURES					
Opening balance		23,245	24,859	25,500	-	276,539
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		1,614	1,614	641	-	118,775
Added on revaluation						
Date						31.03.2007
Amount		-	-	-	-	-157,764
Balance as at 31 March		21,631	23,245	24,859	25,500	-

DEPRECIATION RESERVE

Particulars		Year				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Dec-07
? Details to be provided for each class of asset	COMPUTERS					
Opening balance		35,126	28,587	34,118	-	142,050
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		7,531	5,799	5,531	3,882	129,241
Added on revaluation						
Date						
Amount		-	-	-	-	-
Balance as at 31 March		27,595	35,126	28,587	34,118	-

DEPRECIATION RESERVE

Particulars		Year				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Dec-07
? Details to be provided for each class of asset	VEHICLES					
Opening balance		-	-	-	-	53,770
Written off on reduction of capital						
Date						
Amount		-	-	-	-	-
Written off on revaluation						
Date						
Amount		131,357	-	-	-	51,220
Added on revaluation						
Date						31.3.2007
Amount		-	-	-	-	2,550
Balance as at 31 March		2,641,652	-	-	-	-

KUNSTSTOFFE INDUSTRIES LIMITED
Notes forming part of the financial statements

Note 12 Revenue from operations

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a)	Sale of services (Refer Note (ii) below)	8,853,005	13,607,764
	Total	8,853,005	13,607,764

Note	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(ii)	Sale of services comprises : Labour Charges	8,853,005	13,607,764
	Total - Sale of services	8,853,005	13,607,764

Note 13 Other income

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(a)	Interest income (Refer Note (i) below)	22,000	67,225
(b)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	240,000	240,000
	Total	262,000	307,225

Note	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(i)	Interest on income tax refund	22,000	67,225
	Total - Interest income	22,000	67,225

Note 23 Other income (contd.)

Note	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
(ii)	Other non-operating income comprises: Rental income from investment properties	240,000	240,000
	Total - Other non-operating income	240,000	240,000

KUNSTSTOFFE INDUSTRIES LIMITED

Notes forming part of the financial statements

Note 14. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<u>Inventories at the beginning of the year:</u>		
Finished goods	-	43,443.00
Net (increase) / decrease	-	43,443.00

Note 15 Employee benefits expense

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Salaries and wages	2,770,276	2,158,079
Contributions to provident and other funds (Refer Note 19.1)	266,885	175,597
Staff welfare expenses	191,780	109,059
Total	3,228,941	2,442,735

Note 16 Other expenses

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Consumption of stores and spare parts	72,817	52,566
Security Charges	623,107	470,003
Power and fuel	2,426,760	1,977,583
Rent	72,000	-
Repairs and maintenance - Buildings	126,492	8,500
Repairs and maintenance - Machinery	156,512	267,776
Repairs and maintenance - Others	26,611	71,724
Insurance	35,379	50,483
Rates and taxes	131,384	221,452
Communication	85,200	69,369
Travelling and conveyance	376,811	123,820
Printing and stationery	34,357	29,143
Freight and forwarding	12,300	11,700
Business promotion	-	25,000
Legal and professional	1,106,452	868,372
Payments to auditors (Refer Note (i) below)	60,000	60,000
Miscellaneous expenses	159,776	273,922
Total	5,505,958	4,581,413

KUNSTSTOFFE INDUSTRIES LIMITED**Notes forming part of the financial statements****Notes:**

Particulars	For the year ended 31	For the year ended 31
	March, 2012	March, 2011
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	40,000	40,000
For other services -Tax Audit	20,000	20,000
Total	60,000	60,000

Note 17 Extraordinary items

Particulars	For the year ended	For the year ended
	31 March, 2012	31 March, 2011
Liabilities as per Deed of Assignment	-	(202,757,557)
Liabilitied reduced BOB Loan	-	3,455,888
Unrealised Advances	-	(98,572)
Total	-	(199,400,241)

KUNSTSTOFFE INDUSTRIES LIMITED
Notes forming part of the financial statements

Note 18 Additional information to the financial statements

Note	Particulars
18.1	<p>Share application money pending allotment</p> <p>As at 31 March 2012, the Company has received an amount of Rs. 13,800,000 towards share application money towards 1,380,000 equity shares of the Company. (As at 31 March, 2011 Rs. 4,800,000 towards 480,000 equity shares) at a premium of Rs. 0 (As at 31 March, 2011 Rs. 0). The share application money was received pursuant to the BIFR direction in its hearing dated 15/10/2010. The Company has sufficient authorised capital to cover the allotment of these shares.</p>

KUNSTSTOFFE INDUSTRIES LIMITED
Notes forming part of the financial statements

Note 19 Disclosures under Accounting Standards (contd.)

Note	Particulars
19.1	Employee benefit plans
19.1.a	<u>Defined contribution plans</u>
	The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 266,885 (Year ended 31 March, 2011 Rs. 175,597) for Provident Fund contributions and N.A. (Year ended 31 March, 2011 N.A.) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
19.1.b	<u>Defined benefit plans</u>
	The Company offers the following employee benefit schemes to its employees: i. Gratuity Refer accounting note A 5 of Auditors report.