



KUNSTSTOFFE INDUSTRIES LIMITED

**34th Annual Report
2019-2020**

KUNSTSTOFFE INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

Ms. UNNATI P. SHETH
(Chief Financial Officer)
MS. PADMINI RAVINDRAN
(Company Secretary)

STATUTORY AUDITORS

M/S. AKSHAY KIRTIKUMAR & ASSOCIATES
(Chartered Accountants, Mumbai)

INTERNAL AUDITORS

M/S. ATUL DEDHIA & ACCOSIATES
CHARTERED ACCOUNTANTS, MUMBAI

SOLICITORS

M/S. LITTLE & CO., MUMBAI
DIVYAKANT MEHTA & ASSOCIATES, MUMBAI

REGISTERED OFFICE

Kiran Building 128, Bhaudaji Road,
Matunga (E), Mumbai – 400 019.
Email - kunststoffe@kunststoffeindia.com
Website - www.kunststoffeindia.com

BANKERS

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

WORKS

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

LISTED ON STOCK EXCHANGE

BSE Limited

REGISTRARS & SHARE TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.,
C-101, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai-400 083.



KUNSTSTOFFE INDUSTRIES LIMITED

CIN : L65910MH1985PLC037998

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

Tel. No. 022-2408 2689/90 Fax No. 022-2404 4853 Website - www.kunststoffeindia.com Email: kunststoffe@kunststoffeindia.com

NOTICE

Notice is hereby given that the **34th Annual General Meeting** of the Members of **Kunststoffe Industries Limited** will be held on **Monday, 28th day of September, 2020** at **11.00 A.M.** at **The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, 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, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To reappoint Ms. Soniya P. Sheth (DIN: 02658794), Managing Director who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

3. To re-appoint Mr. Rajender Sharma (DIN: 07241852) as an Independent Director and in this regard to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Mr. Rajender Sharma (DIN: 07241852), who was appointed as an Independent Director at the 29th Annual General Meeting of the Company and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term up to the conclusion of 39th Annual General Meeting of the Company, not liable to retire by rotation.”

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

Padmini Ravindran
Company Secretary

Place: Mumbai

Date: 10th August, 2020

Registered Office:

Kiran Building, 128,

Bhaudaji Road, Matunga (E),

Mumbai– 400 019.

CIN: L65910MH1985PLC037998

E-mail: kunststoffe@kunststoffeindia.com

Website: www.kunststoffeindia.com

KUNSTSTOFFE INDUSTRIES LTD.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Instrument of Proxy, in order to be effective should be deposited at the registered office of the Company, duly completed and signed, not less than 48 Hours before the commencement of the Meeting.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL PAID UP 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. A 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. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report.
4. The relevant details as required under Regulation 36(3) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") of the persons seeking appointment /re-appointment as Directors are provided in Annexure to this Notice.
5. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized to attend and vote on their behalf at the meeting.
6. Members holding shares in dematerialized form are requested to intimate any change in their address, bank details etc. to their respective Depository Participants (DPs) and those holding shares in physical form are to intimate the above said changes to the Registrar and Share Transfer Agent of the Company at **M/s. Sharex Dynamic (India) Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083**. The Company will not entertain any direct request from such members for this.
7. The route map showing directions to reach the venue of the AGM is annexed.
8. The Share Transfer Books and the Register of Members of the Company will remain close from **22nd September, 2020 to 28th September, 2020** (both days inclusive).
9. The relevant documents referred above to in any of the items of the Notice are available for inspection by the members at the Registered Office of the Company on any working day during the business hours of the Company upto the date of the meeting and at the meeting
10. In case of joint holders attending the meeting, only such a joint holder who is higher in the order of names will be entitled to vote.
11. Members who hold shares in dematerialized form are requested to bring their CLIENT ID AND DP ID numbers for easy identification of attendance at the meeting. Only bona fide members of the Company whose names appear on the Register of Members / Proxy holders, in possession of valid attendance slips duly filled and signed along with the identity proof will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
12. 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.
13. 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.
14. 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.

15. 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, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083** 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.
16. The Equity Shares of the Company are listed at the following stock exchange:
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001.
The listing fee to the above exchange has been paid.
17. **Information and other instruction relating to e-voting are as under:**
- (i) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted vide notification dated March 19, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote at the Thirty Fourth Annual General Meeting of the Company by electronic means and the business may be transacted through remote e-voting services provided by CDSL.
 - (ii) For Members attending the Meeting who have not cast their vote by remote e-voting, the Company shall be making arrangements for the Members to cast their votes in respect to the business stated in this Notice through ballot form. The Members who have cast their votes by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
 - (iii) The Company has engaged the services of Central Depository Service Limited ("CDSL") as the Agency to provide e-voting facility.
 - (iv) The Board of Directors of the Company has appointed **M/s. K. Pratik & Associates, Company Secretary in Practice, 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. **21st September, 2020**.
 - (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. **21st September, 2020** only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Ballot paper.
 - (vii) Any person who acquires shares and become member of the Company after despatch of the notice and holding shares as on the cut-off date may obtain the login ID and password by sending a request at www.evotingindia.com or issuer / RTA.
 - (viii) 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 **Friday, 25th September, 2020 at 9.00 a.m.** and ends on **Sunday, 27th September, 2020 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 **Monday, 21st September, 2020**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on 'Shareholders' module.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login-myEasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on **e-voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	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">• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in Dividend Bank details filed as mentioned in instruction (v)

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

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to 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 Scrutinizer 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 Scrutinizer shall not later than 48 hours of conclusion of the meeting, make a consolidated Scrutinizer’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.
The Chairman or a person authorized by him in writing shall declare the result of voting forthwith.
- IV. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website 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.

MANDATORY REQUIREMENT

Updation of Bank Account Details for Payment of Dividend

SEBI vide its Circular dated 20th April, 2018, made it mandatory to incorporate Bank details in dividend warrants. Shareholders holding shares in physical or demat form and not provided the bank details are requested to submit the bank details along with original cancelled cheque leaf to the Company’s Share Transfer Agent at the address mentioned herein above in Note 5. The cancelled cheque leaf shall have the shareholder’s name printed on it. If cheque leaf does not contain the name of shareholder, then along with cancelled cheque leaf, shareholder is required to submit copy of bank passbook page / bank statement having the name of shareholder, address and bank account number, duly attested by the officer of the same Bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

Updation of PAN details

Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members having shares in electronic form are therefore, requested to submit their PAN details to their depository participant. Members holding shares in physical form are required to submit their self attested copy of PAN card to the Company’s Share Transfer Agent at the address mentioned hereinabove in Note 5.

No Effect of Transfer of Shares in Physical Form w.e.f. 1st April, 2019

Securities and Exchange Board of India has amended the Regulation 40 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 that has mandated transfer of shares would be carried out only in dematerialized form and no transfer of shares in physical form will be processed w. e. f. 1st April, 2019, except in case of transmission or transposition.

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Shareholders holding shares in Physical form should consider dematerialization of shares as it facilitates easy liquidity, change in particulars of Shareholders such as bank details, address, no loss of share certificates, etc.

The details of various banks and agencies providing dematerialization of shares services are available on the website of NSDL and CDSL.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3:

Mr. Rajender Sharma, Age: 66 years. Qualification: B.A. Nature of expertise: He is having vast experience of accounts and admin work, Name of the Companies in which he also holds Directorship: None other than Kunststoffe Industries Limited. Name of the Companies in which he also holds Membership/Chairmanship: Membership in Audit Committee, Nomination and remuneration committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Sexual Harassment Committee of Kunststoffe Industries Limited. He is not holding any shares of the Company.

It will be in the interest of the Company that Mr. Rajender Sharma continues as an Independent Director of the Company.

It is proposed to re-appoint Mr. Rajender Sharma as an Independent Director under Section 149 of the Act and Regulation 25 of the SEBI Listing Regulations, 2015, to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2025. Mr. Rajender Sharma were re-appointed as an Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. He hold office as Independent Director of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("second term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Director, has recommended reappointment of Mr. Rajender Sharma as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Director and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Rajender Sharma would be beneficial to the Company and it is desirable to continue to avail his service as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Rajender Sharma as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. Rajender Sharma is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director. The Company has received notices in writing from members along with 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.

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 Regulation 25 of the SEBI Listing Regulations, 2015. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

In the opinion of the Board, Mr. Rajender Sharma fulfill the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations, 2015. Mr. Rajender Sharma is independent of the management.

Details of Director whose re-appointment as Independent Director is proposed at Item Nos. 3 is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on

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General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Copy of the draft letter for respective appointment of Mr. Rajender Sharma as an Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as an appropriate disclosure under Regulation 25 of the SEBI Listing Regulations, 2015 with the Stock Exchanges.

Mr. Rajender Sharma is interested in the resolution set out respectively at Item Nos. 3 of the Notice with regard to their respective appointment. The relatives of Mr. Rajender Sharma may be deemed to be interested in the resolution set out respectively at Item Nos. 3 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 these resolution.

The Board recommends the Special Resolution set out at Item Nos. 3 of the Notice for approval by the shareholders.

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

Padmini Ravindran
Company Secretary

Place: Mumbai

Date: 10th August, 2020

Registered Office:

Kiran Building, 128,

Bhaudaji Road,

Matunga (E),

Mumbai– 400 019.

CIN: L65910MH1985PLC037998

E-mail: kunststoffe@kunststoffeindia.com

Website: www.kunststoffeindia.com

KUNSTSTOFFE INDUSTRIES LTD.**ANNEXURE****DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTCOMING ANNUAL GENERAL MEETING**

(In pursuant of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Ms. Soniya P. Sheth	Mr. Rajender Sharma
DIN	02658794	07241852
Date of Birth	14th February, 1985	25th May, 1954
Date of appointment	29th September, 2014	29th September, 2015
Qualification	M.A.	B.A.
Nature of her Expertise	Interior Decorator, Investment consultant & Dynamic professional also having good marketing experience.	Accounts and Admin work.
List of Directorships of other Companies as at 31st March, 2020	1) Fiberweb (India) Limited (Listed Company) 2) Bharat Capital and Holdings Limited 3) Stallion Breweries Limited 4) Chemical & Alkali Distributors Limited 5) Parijat Private Limited 6) Star Developers Private Limited 7) Sun Properties Private Limited 8) Sun Capital and Consultancy Private Limited	NIL
List of Membership/ Chairmanship of the Committees* of other Board as on 31st March, 2020	Membership in Audit Committee and Stakeholders' Relationship / Grievances of Fiberweb (India) Limited	Membership in Audit Committee and Stakeholders Relationship Committee of Kunststoffe Industries Limited
Shareholding in Kunststoffe Industries Limited	468477	NIL
Relationship between directors inter-se	No	No
Terms and Conditions of appointment	As per Nomination and Remuneration Policy of the Company	As per Nomination and Remuneration Policy of the Company

*Only Audit and Stakeholders Relationship Committees are considered.

By Order of the Board of Directors
For **Kunststoffe Industries Limited****Padmini Ravindran**
Company Secretary**Place: Mumbai****Date: 10th August, 2020****Registered Office:**Kiran Building, 128,
Bhaudaji Road,
Matunga (E),
Mumbai- 400 019.

CIN: L65910MH1985PLC037998

E-mail: kunststoffe@kunststoffeindia.com

Website: www.kunststoffeindia.com

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the **34th Annual Report** and Audited Financial Statements of the Company for the year ended 31st March, 2020. The summarized financial results are given below:

SUMMARISED FINANCIAL RESULTS:

(₹ In Lakhs)

	2019-20	2018-19
Sales & other receipts	967.00	1,210.57
Gross Profit/(Loss) before depreciations	153.62	151.34
Less : Depreciation	24.64	17.08
Profit(Loss) from regular Activities	65.95	56.70
Extraordinary items	0	0
Profit /(Loss)before taxation	65.95	56.70
Provision for tax	20.00	5.50
Profit /(Loss) after taxation	45.95	51.20
Add: Balance carried from earlier year	(1,171.36)	(1,222.55)
Balance carried forward to next year	(1,125.41)	(1,171.36)

OPERATIONS

During the current year gross receipts of the Company was ₹ 967.00 lakhs against ₹ 1,210.57 lakhs of the previous year and Gross Profit margin increased and Gross Profit amounted to ₹ 153.62 lakhs (1.51% higher) to earlier year's 151.34 lakhs, depreciation amounted to ₹ 24.64 lakhs (against ₹ 17.08lakhs in last year) and Net Profit decreased to ₹ 45.95 lakhs as against ₹ 51.20 lakhs in last year.

COVID-19 PANDEMIC:

The COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity, resulting temporary disruption in the manufacturing activity of the Company. Necessary steps have been taken to ensure the smooth functioning of the operations of the Company. Your directors are hoping that, there won't be any further impact on the Company.

DIVIDEND

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

COURSE OF BUSINESS AND OUTLOOK

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

HEALTH, SAFETY AND ENVIRONMENT

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

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

All Plant sites of the Company are environment regulations compliant.

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PUBLIC DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

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

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

A. INFORMATION OF CONSERVATION ENERGY

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

B. INFORMATION OF TECHNOLOGY ABSORPTION

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

INFORMATION OF FOREIGN EXCHANGE EARNED AND OUTGO

During the year under review your Company has neither spent any amount in foreign exchange nor earned any amount in foreign exchange.

SEGMENT REPORTING

Your Company's main business is "Polymer Processing" and all other activities of the company revolve around this main business. As such there are no separate reportable segments within the Company and hence, the segment wise reporting as defined in Ind AS 108 – Operating Segments (Accounting Standards 17) is not applicable to the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your company does not have any subsidiary, joint ventures or associate companies.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of your Company during the Financial Year ended 31st March, 2020.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION

No material changes and commitments, affecting the financial position of the Company occurred between the end of the Financial Year of the Company i.e. 31st March, 2020 and the date of this Directors' Report i.e. 10th August, 2020.

CORPORATE GOVERNANCE

Your Company has always the philosophy of conducting its business with due compliance of laws, rules, regulations and sound internal control systems and procedures. As per Clause 'C' of Schedule V on Annual Report pursuant to Regulations 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has complied with all the provisions of Corporate Governance and a report on corporate governance is annexed hereto and forms part of this report. A certificate from the auditors of the company regarding compliance of conditions of corporate governance has been included in this Annual Report for your information. In future, the Company intends to implement the non-mandatory recommendations, as prescribed in Code of Corporate Governance.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Including criteria for determining qualification, positive attributes, independence of a Director, policy relating to

remuneration for Directors, Key Managerial Personnel and other employees

Policy on Directors' Appointment

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

Policy on Remuneration

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

- There has never been union since incorporation and is not likely to be there in view of cordial relation with workers. As such the Board felt that there is no need to form policy for unionized workers.
- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen 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 are satisfactory and adequate and meet the requirement of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Soniya P. Sheth retires by rotation and being eligible offers herself for reappointment.

Non Disqualification of Directors Certification is attached as Annexure III in this report.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013 and on the basis of explanation and compliance certificate given by the executives of the Company, and subject to disclosures in the Annual Accounts and also on the basis of discussions with the Statutory Auditors of the Company from time to time, we state as under:

- That in the preparation of the accounts for the financial period ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit or loss of the Company for the period under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the annual accounts for the financial period ended 31st March, 2020 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.

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NUMBER OF MEETINGS OF THE BOARD

Four 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 2019-20 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report forming part of the report.

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

PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY

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

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

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

Since all the transaction with Related Parties entered during the Financial Year 2019-20 by the Company, were in its ordinary course of business and on arm's length basis FORM AOC- 2 is not applicable to the Company.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

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

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT

The Company has laid down a well defined risk management policy. The Board periodically reviews the risk and suggests steps to be taken to control and mitigation the same through a proper defined framework.

The Company manages monitors and reports on the principle risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviors that governs how the Group conducts the business of the Company and manages associated risks.

The constitution of Risk Management Committee is not mandatory for your Company as per provisions of Regulation of 21 of LODR is applicable to the Top 500 listed entities.

VIGIL MECHANISM

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

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in a separate statement attached herewith and forming part of the report. (Annexure-I)

CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of Companies Act, 2013, all the companies having net worth of ₹ 500 crores or more, or a turnover of ₹ 1,000 crores or more or a net profit of ₹ 5 crores or more during financial year will be required to constitute corporate social responsibility (CSR) committee of the board of directors comprising three or more directors, at least one of whom will be an independent director.

Aligning with the guidelines, the Company has already constituted Corporate Social Responsibility Committee. The committee is responsible for formulating and monitoring the CSR policy of the Company. 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. During the year ended 31st March, 2020, the Net Profit of the Company is ₹45.95 Lakhs. As the Company does not meet the criteria specified under section 135 it is not required to spend any amount on CSR Activity.

EXTRACT OF ANNUAL RETURN

Pursuant to the provision of Section 134(3) (a) and 92(3) of the Companies Act, 2013 read along with Rule 12 of the Companies ((Management & Administration) Rules 2014, an extract of Annual Return as of 31st March 2020 in Form No. MGT-9 is annexed herewith as Annexure II to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not provided in the Annual Report but will be provided to shareholders on asking for the same.

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

DEPOSITORY SYSTEM

Electronic trading of the Company's Equity Shares has been made compulsory by the Securities & Exchange Board of India (SEBI) from 30th October, 2000. As on 31st March, 2020, about 79.13% shareholding representing 5452469 Equity Shares of the Company have been dematerialized. Your Company has executed agreements with both NSDL and CDSL for demat of its shares.

INTER-SE TRANSFER OF SHARES AMONG PROMOTERS

During the year there were no inter-se transfer of shares among promoters which is carried out in compliance with the provision of the Companies Act, 2013 and rules and regulation of SEBI (LODR) Regulation, 2015.

AUDITORS AND AUDITORS' REPORT

M/s. Akshay Kirtikumar & Associates, Chartered Accountants (Firm Registration Number.138182W), have been appointed as the Auditors of the Company to hold office for a term of 5(five) consecutive years from the conclusion of 33rd Annual General Meeting held on 24th September, 2019 until the conclusion of the 38th Annual General Meeting.

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

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read along with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. K. Pratik & Associates, Practicing Company Secretaries (C.P. No.: 12368) as Secretarial Auditor, for the year ending 31st March, 2020. The Secretarial Audit Report contains Qualifications, Reservation

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and explanations which are self explanatory.

The Secretarial Auditor has submitted its Report in Form No. MR-3 for the Financial Year ended 31st March, 2020 and the same is set out in "Annexure IV, forming part of this Report.

GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

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

ACKNOWLEDGEMENT

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

On behalf of the Board
For Kunststoffe Industries Limited

Soniya P. Sheth
Managing Director
DIN: 02658794

U. R. Jha
Director
DIN: 06825669

Place: Mumbai

Date: 10th August, 2020

Registered Office:

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

CIN: L65910MH1985PLC037998

E-mail: kunststoffe@kunststoffeindia.com

Website: www.kunststoffeindia.com

Annexure I

ANNEXURE TO DIRECTOR'S REPORT

STATEMENT CONTAINING INFORMATION AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED, 31ST MARCH, 2020.

Name, Designation, Remuneration Received (₹) Nature of Employment, Qualification, Experience (Years), Date of Commencement of Employment, Age (Years), Last Employment held, Equity Share in the Company (Percentage).

(a) Employed throughout the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹ 1,02,00,000/-

NIL

(b) Employed throughout the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹ 8,50,000/- per month.

NIL

(c) Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the whole-time Director/ Managerial Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

NIL

Notes:

1. Remuneration includes salaries, house rent allowance, personal allowance, ex-gratia, performance allowance, leave travel assistance, encashment of leave, medical express/ allowances, accident insurance premium, Company's Contribution to Provident and Superannuation funds and the monetary value of perquisites calculated in accordance with the provisions of the Income-tax Act, 1961 and the Rules made there under and excludes provision for retiring gratuity for which separate figure is not available.
2. The above employees are not relative of any Director of the Company.

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

Padmini Ravindran
Company Secretary

Place: Mumbai

Date: : 10th August, 2020

Registered Office:

Kiran Building, 128,

Bhaudaji Road,

Matunga (E),

Mumbai- 400 019.

CIN: L65910MH1985PLC037998

E-mail: kunststoffe@kunststoffeindia.com

Website: www.kunststoffeindia.com

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Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31/03/2020

[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 /
Indian Non-Government Company
- v) Address of the Registered office : - Kiran Building, 128, Bhaudaji Road,
contact details Matunga (E), Mumbai- 400 019.
- Tel. No : - 022-2408 2689/90
- Fax No : - 022-2404 4853
- Website : - www.kunststoffeindia.com
- Email : - kunststoffe@kunststoffeindia.com
- vi) Whether listed company : - Yes / ~~No~~
- vii) Name, Address and Contact details of : - M/s. Sharex Dynamic (India) Pvt. Ltd.
Registrar and Transfer Agent, if any C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083.
Tel. No. 28515606/44,
Fax No. 022-28512885
Email Id: support@sharexindia.com

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

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

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

ASSOCIATE COMPANIES

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

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

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

VII. PENALTIES / PUNISHMENT /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:-

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

Attachment B

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S I. 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 Share held at the beginning of the year 01/04/2019				No. of Share held at the end of the year 31/03/2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1505867	0	1505867	21.856	1974344	0	1974344	28.655	6.799
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	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	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	2513955	0	2513955	36.487	2982432	0	2982432	43.286	6.799
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Bank / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0

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Category of Shareholders	No. of Share held at the beginning of the year 01/04/2019				No. of Share held at the end of the year 31/03/2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of promoter (A) = (A) (1)+(A)(2)	2513955	0	2513955	36.487	2982432	0	2982432	43.286	6.799
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	158440	158440	2.300	0	42840	42840	0.622	-1.678
(b). Banks / FI	0	0	0	0	0	0	0	0	0
(c). Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	0	0	0	0	0	0	0	0
(e). Venture Capital	0	0	0	0	0	0	0	0	0
(f). Insurance	0	0	0	0	0	0	0	0	0
(g). FIs	0	59460	59460	0.863	0	59380	59380	0.862	-0.001
(h). Foreign Venture	0	0	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	217900	217900	3.163	0	102220	102220	1.483	-1.679
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	1058240	65580	1123820	16.311	1049034	65460	1114494	16.176	-0.135
(ii). Overseas	0	0	0	0	0	0	0	0	0
(b). Individual									
(i). Individual shareholders holding nominal share capital upto ₹ 1 lakh	741468	946291	1687759	24.496	721523	909311	1630834	23.670	-0.826
(ii). Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1031446	70600	1102046	15.995	623437	186720	810157	11.758	-4.237
(c). Other (specify)									
Non Resident Indians	64533	175580	240113	3.485	66407	173820	240227	3.487	0.002
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	4407	0	4407	0.064	9636	0	9636	0.14	0.076
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies – D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	2900094	1258051	4158145	60.351	2470037	13353311	3805348	55.230	-5.12
Total Public Shareholding (B)=(B)(1)+(B)(2)	2900094	1475951	4376045	63.513	2470037	1437531	3907568	56.714	-6.799
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.00
Grand Total (A+B+C)	5414049	1475951	6890000	100.00	5452469	1437531	6890000	100.00	0.000

Attachment D

(ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Share holding at the end of the year 31/03/2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Pravin V. Sheth	1456266	21.136	0	1456266	21.136	0	0
2	Bhavesh P. Sheth	2800	0.041	0	2800	0.041	0	0
3	Soniya P. Sheth*	388622	5.64	0	468477	6.799	0	6.799
4	Dhwani P. Sheth	180	0.003	0	180	0.003	0	0
5	Unnati P. Sheth	372	0.005	0	372	0.005	0	0
6	Bharat Capital and Holdings Limited	1008088	14.631	0	1008088	14.631	0	0
7	Hargovind Karsandas Vithalani	46249	0.671	0	46249	0.671	0	0
	Total	2513955	36.487	0	2982432	43.286	0	6.799

* During the year Ms. Soniya P. Sheth transfer from Public group to Promoters.

Attachment E

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

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			
		No. of shares at the beginning (01/04/2019) / end of the year (31/03/2020)	% of total shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Share	% of total Shares of the company
1	Soniya P. Sheth	388622	5.64	01-04-2019				
				12-04-2019	6000	Buy	394622	5.727
				05-07-2019	2723	Buy	397345	5.767
				12-07-2019	3703	Buy	401048	5.821
				19-07-2019	1110	Buy	402158	5.837
				26-07-2019	3980	Buy	406138	5.895
				02-08-2019	2335	Buy	408473	5.928
				23-08-2019	2538	Buy	411011	5.958
				30-08-2019	14727	Buy	425738	6.179
				06-09-2019	14949	Buy	440687	6.396
				13-09-2019	7900	Buy	448587	6.511
				20-09-2019	9807	Buy	458394	6.653

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Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			
		No. of shares at the beginning (01/04/2019) / end of the year (31/03/2020)	% of total shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Share	% of total Shares of the company
				27-09-2019	7019	Buy	465413	6.755
				30-09-2019	240	Buy	465653	6.758
				04-10-2019	250	Buy	465903	6.762
				06-03-2020	1	Buy	465904	6.762
				13-03-2020	1333	Buy	467237	6.781
				31-03-2020	1240	Buy	468477	6.799
	-Closing Balance			31-03-2020			468477	6.799

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 (01/04/2019)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company end of the year 31/03/2020
1	Gayatri Pipes And Fittings Private Limited	650000	9.434	01-04-2019				
	-Closing Balance			31-03-2020		No Change	650000	9.434
2	Bharat Equity Services Ltd	339490	4.927	01-04-2019				
	-Closing Balance			31-03-2020		No Change	339490	4.927
3	Sulochnadevi Anilkumar Agarwal	183813	2.668	01-04-2019				
				12-04-2019	150	Buy	183963	2.67
	-Closing Balance			31-03-2020			183963	2.67
4	Kimaya Wellness Limited	11800	0.171	01-04-2019				
				21-02-2020	116120	Buy	127920	1.857
	-Closing Balance			31-03-2020			127920	1.857
5	Parle (Exports) Limited	53160	0.772	01-04-2019				
	-Closing Balance			31-03-2020		No Change	53160	0.772
6	Punam Patni	50190	0.728	01-04-2019				
	-Closing Balance			31-03-2020		No Change	50190	0.728

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Sl. No.	Name	Shareholding at the beginning (01/04/2019)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company end of the year 31/03/2020
7	Abhisek Anilkumar Agarwal	40084	0.582	01-04-2019				
	-Closing Balance			31-03-2020		No Change	40084	0.582
8	Anjanaben Kiritkumar Thakkar	33834	0.491	01-04-2019				
	-Closing Balance			31-03-2020		No Change	33834	0.491
9	Kusum Jayesh Shah	33200	0.482	01-04-2019				
	-Closing Balance			31-03-2020		No Change	33200	0.482
10	Raj Kumar Jain	32500	0.472	01-04-2019				
	-Closing Balance			31-03-2020		No Change	32500	0.472
11	YashSubhash Chand Kanodia	36441	0.529	01-04-2019				
				30-08-2019	-3441	Sold	33000	0.479
				06-09-2019	-7000	Sold	26000	0.377
				13-09-2019	-3000	Sold	23000	0.334
				20-09-2019	-2000	Sold	21000	0.305
				27-09-2019	1000	Buy	22000	0.319
	-Closing Balance			31-03-2020			22000	0.319
12	SBI CAP MKTs Ltd A/C IMF NVM Fund	68480	0.994	01-04-2019				
				21-02-2020	-58280	Sold	10200	0.148
	-Closing Balance			31-03-2020			10200	0.148
13	SBI CAP MKTs Ltd A/C IMF NVM Fund	60680	0.881	01-04-2019				
				21-02-2020	-53920	Sold	6760	0.098
	-Closing Balance			31-03-2020			6760	0.098

KUNSTSTOFFE INDUSTRIES LTD.

Attachment G

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01/04/2019		Date wise Increase/ Decrease in Shareholding during the year		Cumulative Shareholding during the year		Shareholding at the beginning of the year 31/03/2020	
		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	Soniya P. Sheth	388622	5.64	79855	1.159	468477	6.799	468477	6.799
2	Unnati P. Sheth	372	0.005	-	-	-	-	372	0.005

Attachment H

v. INDEBTENDNESS

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

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

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 (Managing Director)		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,07,000		36,07,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,02,218		6,02,218
	(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	-		-
	Total (A)	42,09,218		42,09,218
	Ceiling as per the Act	# Not workable due to Loss / Inadequate Profit		

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

Attachment J

C. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Bhaskar T. Iyer	S. Chacko	U. R. Jha	Rajender Sharma	
1.	Independent Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify (Conveyance)	4000	4000	4000	4000	16000
	Total (1)	4000	4000	4000	4000	16000
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify (Conveyance)	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	4000	4000	4000	4000	16000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	# Not workable due to Loss / Inadequate Profit				

KUNSTSTOFFE INDUSTRIES LTD.

Attachment K

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		C.E.O. N.A.	Company Secretary Ms. Padmini Ravindran	Chief Finance Officer Ms. Unnati P. Sheth	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,02,000	4,87,000	689,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	30,975	62,530	93,505
	(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	-	-	-	-
	Total	-	2,32,975	5,49,530	7,82,505

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)
A. COMPANY					
Penalty			--NIL--		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			--NIL--		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			--NIL--		
Punishment					
Compounding					

Annexure III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of,
Kunststoffe Industries Limited
128, Kiran Building, Bhaudaji Road,
Matunga (E), Mumbai - 400019.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kunststoffe Industries Limited having CIN L65910MH1985PLC037998 and having registered office at 128, Kiran Building, Bhaudaji Road, Matunga (E), Mumbai -400019. (hereinafter referred to as 'the Company'), produced before us in electronic mode by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in company
1	Soniya Pravin Sheth	02658794	30/04/2009
2	Bhaskar Thiagarajan Iyer	01711750	27/09/2012
3	Sacariah Chacko	06825623	30/01/2014
4	Ujjwalkumar Ravikant Jha	06825669	30/01/2014
5	Rajender Sharma	07241852	30/07/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M/S. K. PRATIK & ASSOCIATE
Practising Company Secretary

PRATIK HARSHAD KALSARIYA
PROPRIETOR M. NO. A33502

C. P. NO. 12368

*** UDIN No. : A033502B000388153**

Place: Mumbai
Date: June 26, 2020

* Note: Unique Document Identification Number (UDIN) is generated for this certificate and same is reported to the Institute of Company Secretaries of India and the UDIN is issued in accordance with the applicable provisions of the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019.

KUNSTSTOFFE INDUSTRIES LTD.

Annexure IV

FORM NO. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

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

To,
The Members,
KUNSTSTOFFE INDUSTRIES LIMITED
Kiran Building, 128, Bhaudaji Road,
Matunga (E), Mumbai– 400 019.

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

Based on our verification of the Company 's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Kunststoffe Industries Limited**. for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made hereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws specifically applicable to the Company, namely;
 1. Factories Act, 1948
 2. Industrial Disputes Act, 1747
 3. Payment of Wages Act, 1936

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

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

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

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

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

We further report that,

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

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

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

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

M/S. K. PRATIK & ASSOCIATES
Practising Company Secretary
M. No. A33502 COP No.: 12368
UDIN No.: A033502B000568080

Date: 10/08/2020

Place: Mumbai

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

KUNSTSTOFFE INDUSTRIES LTD.

'ANNEXURE A'

To,
The Members,
KUNSTSTOFFE INDUSTRIES LTD
Kiran Building, 128, Bhaudaji Road,
Matunga (E), Mumbai– 400 019.

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

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

M/S. K. PRATIK & ASSOCIATES
Practising Company Secretary
M. No. A33502 COP No.: 12368
UDIN No.: A033502B000568080

Date: 10/08/2020
Place: Mumbai

MANAGEMENT'S DISCUSSION AND ANALYSIS

INDUSTRY- STRUCTURE AND DEVELOPMENT:

Your Company is engaged in the business of manufacture of Spirally Bound HDPE/PP Pipes, Vessels, Tanks, etc. The manufacturing facilities of the Company are at Daman, U.T. and the Spirally Bound profile wall pipes technology is patented and licensed by BAUKU of Germany. These Pipes ranging from **300 MM to 3600 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 60000 Liters** with varying wall thickness depending on load distribution and application.

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

The year 2019-20 has been progressive and it is hoped to scale greater heights.

BUSINESS OUTLOOK:

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

OPPORTUNITIES AND THREATS:

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

RISK MANAGEMENT

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

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

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

SEGMENT REPORTING UNDER ACCOUNTING STANDARDS 17:

Your Company's main business is "Polymer Processing" and all other activities of the company revolve around this main business. As such there are no separate reportable segments within the Company and hence, the segment wise reporting as defined in Ind AS 108-Operating Segments (Accounting Standards 17) is not applicable to the Company.

HUMAN / INDUSTRIAL RELATIONS:

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

The Number of permanent employees on the rolls of the Company as on 31st March, 2020 was 25 Nos. as against 25 Nos. on 31st March, 2019.

KUNSTSTOFFE INDUSTRIES LTD.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The company maintains adequate internal control systems, which provide among other things, reasonable assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. Apart from self monitoring of internal controls, Internal Auditors have expressed their satisfaction about the adequacy of the control systems and the manner in which the Company is updating / upgrading its systems and procedures.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Highlights :

(₹ In Lakhs)

	2019-20	2018-19
Sales & other receipts	967.00	1,210.57
Gross Profit/(Loss) before depreciations	153.62	151.34
Less : Depreciation	24.64	17.08
Profit(Loss) from regular Activities	65.95	56.70
Extraordinary items	0	0
Profit /(Loss)before taxation	65.95	56.70
Provision for tax	20.00	5.50
Profit /(Loss) after taxation	45.95	51.20
Earnings Per Share	0.96	0.74

During the year the sales turnover of the Company was ₹ 967.00 lakhs against ₹ 1210.57 lakhs the sales of the previous year. Due to paucity of working capital facilities from Banks as Company was under rehabilitation process by BIFR, the company is doing only job-work.

CAUTIONARY STATEMENT:

Statement in this report on management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the

Company's operations include global and domestic demand and supply conditions, finished goods prices, raw material costs and availability, change in Government regulations and tax structure, economic developments within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information or events.

On behalf of the Board

Soniya P. Sheth
Managing Director
DIN: 02658794

Place: Mumbai
Date: 10th August, 2020

Registered Office:
Kiran Building, 128,
Bhaudaji Road,
Matunga (E),
Mumbai- 400 019.
CIN: L65910MH1985PLC037998
E-mail: kunststoffe@kunststoffeindia.com
Website: www.kunststoffeindia.com

REPORT ON CORPORATE GOVERNANCE

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

Company’s Philosophy on Code of Corporate Governance

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

Board of Directors

Composition of Board of Directors

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

Name of the Director	DIN	Executive /Non Executive / Independent / Promoter	No. of shares held in the Company	No. of outside Directorship in Public Limited Companies*	Membership held in Committee of Directors#	Chairmanship held in Committee of Directors#
Ms. Soniya P. Sheth	02658794	Managing Director	468477	4	2	0
Mr. Bhaskar T. Iyer	01711750	Non-Executive Independent	0	0	0	0
Mr. UjjwalKumar R. Jha	06825669	Non-Executive Independent	0	0	0	0
Mr. S. Chacko	06825623	Non-Executive Independent	0	0	0	0
Mr. Rajender Sharma	07241852	Non-Executive Independent	0	0	0	0

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

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

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

Directors’ Profile:

Ms. Soniya P. Sheth (DIN: 02658794) Age: 35 years, Qualification: M.A., Nature of Expertise: She is Interior Decorator, Investment consultant & Dynamic professional also having good marketing experience. Name of Company in which she holds Directorship: (1) Fiberweb (India) Ltd. (2) Bharat Capital and Holdings Ltd. (3) Stallion Breweries Ltd. (4) Chemical & Alkali Distributors Ltd. (5) Star Developers Pvt. Ltd. (6) Sun Capital and Consultancy Pvt. Ltd. (7) Parijat Private Ltd. (8) Sun Properties Pvt. Ltd. Number of shares in Kunststoffe Industries Limited - 468477.

KUNSTSTOFFE INDUSTRIES LTD.

Mr. S. Chacko, Age: 65 years, Qualification: B.Com. Mech. Engineer. Nature of expertise: He is Mechanical Engineer and has about 29 years of experience in the field of plastic processing & manufacturing. Name of Companies in which he holds Directorship/Membership/Chairmanship: None. No. of Shares - NIL.

Mr. Ujjwalkumar R. Jha, Age: 54 years, Qualification: B.Com. ICWA (Inter) Nature of expertise: He has 24 years experience in Auditing, Accounting and Finance. Name of the Companies in which he holds Directorship/ Chairmanship/ Membership: Chairman of Stakeholders relationship committee, Audit committee & Nomination & Remuneration Committee of Kunststoffe Industries Ltd. No. of Shares - NIL.

Mr. Bhaskar T. Iyer (DIN: 0171175) Age: 56 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 Hygiene (International) Pvt. Ltd. 3) AM Entertainment & Broadcasting Pvt. Ltd. Name of companies in which he hold Membership: Member of share transfer cum stakeholder relationship committee, Audit committee, Nomination & Remuneration Committee of Kunststoffe Industries Ltd. No. of Shares - NIL.

Mr. Rajender J. Sharma Age: 66 years, Qualification: B.A. He has vast experience of accounts & admin work. Name of companies in which he holds Directorship/ Chairmanship/ Membership: None. No. of Shares - NIL.

● Number of Board Meetings and Attendance Record of each Director

The Board meets at least once in a quarter to consider amongst other business, the performance of the Company and financial results.

- (i) Four Meetings of the Board of Directors were held during the year ended 31st March, 2020, these were held on :-
(1) 30th May, 2019 (2) 08th August, 2019 (3) 08th November, 2019 (4) 06st February, 2020
- (ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31st March, 2020 and of the last Annual General Meeting is as under:-

Directors	No. of Board Meeting held	No. of Board Meeting attended	Attendance at Last AGM held on 24/09/2019
Ms. Soniya P. Sheth	4	4	Yes
Mr. Bhaskar T. Iyer	4	4	Yes
Mr. S. Chacko	4	4	Yes
Mr. Ujjwalkumar R. Jha	4	4	Yes
Mr. Rajender Sharma	4	4	Yes

Meeting of Independent Directors and Attendance Record

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

The terms and conditions of appointment of independent directors is also available on the Company website at www.kunststoffeindia.com

Attendance Record of Meetings of Independent Directors

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

Familiarization Programme for Independent Directors

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

Directors' Interest in the Company

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

Audit Committee

The committee's composition and terms of reference are in compliance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess requisite qualifications.

The Board has constituted Audit Committee. The committee comprises of Mr. U. R. Jha (Chairman of the Committee), Mr. Bhaskar T. Iyer and Mr. Rajender J. Sharma who all are Independent Non-Executive Directors. During the financial year 2019-20. Four Audit Committee Meetings were held on 28th May, 2019, 7th August, 2019, 7th November, 2019 and 5th February, 2020.

The Composition & Attendance of Audit Committee is as follows:

Name of the Committee Member	Designation	No. of Committee Meetings held	No. of Committee Meetings attended
Mr. UjjwalKumar R. Jha Non-Executive & Independent Director	Chairman	4	4
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	4	4
Mr. Rajender J. Sharma Non-Executive & Independent Director	Member	4	4

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

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

The Chairman of Audit committee was present at 33rd Annual General Meeting of the Company held on 24th September, 2019.

Terms of Reference of Audit Committee inter alia include the following

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- (2) Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company
- (3) Approval of payment to statutory auditors, including cost auditors, for any other services rendered by them
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;

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

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

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

Nomination and Remuneration Committee of Directors

The Committee's composition and term of reference are in compliance with provisions of the Companies Act, 2013, Regulations 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The role of the committee is to perform all such matters as prescribed which inter alia includes – recommendation to Board of Directors remuneration policy for the Company, appointment of Director, appointment and remuneration of

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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 Nomination and Remuneration Committee. The committee comprises of Mr. U. R. Jha Chairman, Mr. Bhaskar T. Iyer and Mr. Rajender J. Sharma. During the financial year 2019-20 Four Committee Meetings were held on 28th May, 2019, 7th August, 2019, 7th November, 2019 and 5th February, 2020.

The Composition & Attendance of Nomination and Remuneration Committee is as follows:

Name of the Committee Member	Designation	No. of Committee Meetings held	No. of Committee Meetings attended
Mr. UjjwalKumar R. Jha Non-Executive & Independent Director	Chairman	4	4
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	4	4
Mr. Rajender J. Sharma Non-Executive & Independent Director	Member	4	4

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

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

Performance Evaluation criteria of Independent Directors

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

Details of Remuneration paid

Executive Directors

Details of remuneration paid/payable to the Directors for the year ended on 31st March, 2020 (01-04-2019 to 31-03-2020) is as follows:

Name	Position held During the year	Salary & Allowances	Perquisites	Total Remuneration
Ms. Soniya P. Sheth	Managing Director	₹ 36,07,000/-	₹ 6,02,218/-	₹ 42,09,218/-

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

Non-executive & Independent Directors

No remuneration was paid to non-executive directors and also no sitting fee was paid to the non-executive directors during the year for attending the Board and Committee Meetings. However they have been given conveyance @ ₹ 1000/- per meeting for only Board meeting attendance.

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Board Procedures

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

Stakeholders Relationship / Grievance Committee

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

The Board has constituted Stakeholders Relationship / Grievance Committee. The committee comprises of non executive directors of which Mr. U. R. Jha is the Chairman and the members of the Committee are Mr. Bhaskar T. Iyer and Mr. Rajender J. Sharma. Ms. Padmini Ravindran, Company Secretary, is the Compliance Officer.

During the year the Company had received 9 (Nine) investor complaints. A status report of shareholders complaints and redressal thereof is prepared and placed before Stakeholders Relationship / Grievance Committee of Directors. The number of pending complaints at the close of the year were NIL. There were no share transfer pending for registration for more than 15 days. The Committee met 10 times during the year.

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

Name of the Committee Member	Designation	No. of Meeting held	No. of Meeting attended
Mr. UjjwalKumar R. Jha Non-Executive & Independent Director	Chairman	10	10
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	10	10
Mr. Rajender J. Sharma Non-Executive & Independent Director	Member	10	10

Status of Shareholders'/Investors' Complaints for the period 01/04/2019 to 31/03/2020

Nature of Complaint	No. of Complaints received	No. of Complaints resolved	No. of pending complaints
Non-Receipt of Shares (Reduction)	0	0	0
Non-Receipt of Shares (Transfer)	3	3	0
Non-Receipts in issue of Duplicate Shares	1	1	0
Non-Receipt of Shares/ Dividends/ Rights/ Bonus Shares.	5	5	0
Total	9	9	0

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

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

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

Corporate Social Responsibility Committee:

The Board has constituted Corporate Social Responsibility. This committee comprises of following 4 directors of the company: Ms. Soniya P. Sheth Managing Director and Mr. Ujjwalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Rajender J. Sharma all three non-executive independent directors. During the financial year 2019-20 Four Corporate Social Responsibility Committee Meetings were held on 28th May, 2019, 7th August, 2019, 7th November, 2019 and 5th February, 2020.

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

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

As per Section 135 of the Companies Act, 2013, the Company needs to spend 2% of Average net profit of last three years on CSR activities. In previous year i. e. on 31st March, 2019, the Net Profit of the Company was ₹ 51.20 Lakhs which is less than ₹ 5 Crores profit limit of the year. As the Company does not meet the criteria specified under Section 135 it is not require to spend any amount on CSR Activity.

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

Name of the Committee Member	Designation	No. of Meeting held	No. of Meeting attended
Ms. Soniya P. Sheth Managing Director	Chairman	4	4
Mr. Ujjwalkumar R. Jha Non-Executive & Independent Director	Member	4	4
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	4	4
Mr. Rajender J. Sharma Non-Executive & Independent Director	Member	4	4

Sexual Harassment Committee:

(a) Constitution

The Board has constituted the Sexual Harassment Committee.

(b) Composition

The Sexual Harassment Committee was comprised of following two Directors of the company Ms. Soniya P. Sheth, Managing Director and Mr. Rajender J. Sharma Independent Director and one Independent Person Ms. Unnati P. Sheth as a member. During the financial year 2019-20 Four Sexual Harassment Committee Meetings were held on 28th May, 2019, 7th August, 2019, 7th November, 2019 and 5th February, 2020.

(c) Power of Sexual Harassment Committee:

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

The attendance of Sexual Harassment Committee is as follows:

Name of the Director	Designation	No. of Committee Meetings held	No. of Committee Meetings attended
Ms. Soniya P. Sheth Managing Director	Chairman	4	4
Ms. Unnati P. Sheth Member	Member	4	4
Mr. Rajender J. Sharma Non-Executive & Independent Director	Member	4	4

Risk Management Committee:

The Board has constituted Risk Management Committee. The committee comprises of Mr. U. R. Jha Chairman, Mr. Bhaskar T. Iyer and Mr. Rajender J. Sharma.

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

Name of Directors	Designation	No. of Committee Meeting held	No. of Committee Meeting Attended
Ms. Soniya P. Sheth Managing Director	Chairman	4	4
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	4	4
Mr. Rajender J. Sharma Non-Executive & Independent Director	Member	4	4

The Committee has adopted a policy on Risk management to assess and determine the risks and potential threats to the Company. During the financial year 2019-20 Four Committee Meetings were held on 28th May, 2019, 7th August, 2019, 7th November, 2019 and 5th February, 2020.

The Role of Risk Management Committee is as under:

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

Compliance Certificate:

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

General Body Meetings:

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

AGM	Day	Date	Time	Venue
31st	Friday	29-09-2017	9.00 a.m.	The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai- 400 019.
32nd	Monday	24-09-2018	10.00 a.m.	The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai- 400 019.
33rd	Tuesday	24-09-2019	11.00 a.m.	The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai- 400 019.

- In the 31st Annual General Meeting held on 29/09/2017, no special resolution has been passed.
- In the 32nd Annual General Meeting held on 24/09/2018, no special resolution has been passed.
- In the 33rd Annual General Meeting held on 24/09/2019, a special resolution was passed for Reappointment of Ms. Soniya P. Sheth as Managing Director, Reappointment of Mr. Ujjwalkumar R. Jha as an Independent Director, Reappointment of Mr. Bhaskar T. Iyer as an Independent Director and Reappointment of Mr. Sacariah Chacko as an Independent Director.
- Whether special resolutions were put through postal ballot last year? No
- Are special resolutions proposed to be put through postal ballot this year? No

Means of Communication:

- The Board takes on record the unaudited quarterly financial results in the prescribed Performa 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 as per the terms of Listing agreements with Stock Exchanges. Quarterly financial results are being displayed on the Company's website at www.kunststoffeindia.com.
- The Annual General Meeting is the principal forum for face to face communication with shareholders, where the Board responds to the specific queries of the shareholders.
- No presentation was made during the year either to the Institutional Investors or to the analysts.
- Official press release, if any, is placed on the Company's Website and sent to Stock Exchanges for dissemination.
- Management Discussion and Analysis Report has been included in the Directors' Report.

COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(B) TO (I) OF LISTING REGULATIONS

Sr. No.	Particulars	Regulation	Compliance Status Yes / No / N.A.	Compliance observed for the following during the financial year 2019-20
1	Board of Directors	17	Yes	<ul style="list-style-type: none"> • Composition • Number of meetings • Review of compliance reports • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to non-executive Directors • Minimum information to be placed before the Board • Compliance Certificate • Risk assessment and management • Performance evaluation of Independent Directors
2	Audit Committee	18	Yes	<ul style="list-style-type: none"> • Composition • Number of meetings • Powers of the Committee • Role of the Committee and review of information by the Committee
3	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> • Composition • Role of the Committee
4	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> • Composition • Role of the Committee
5	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> • Composition • Role of the Committee
6	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> • Formulation of Vigil Mechanism for Directors and employees • Director access to Chairperson of Audit Committee

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7	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> • Policy on Materiality of Related Party transactions and dealing with Related Party Transactions • Approval including omnibus approval of Audit Committee • Review of Related Party transactions • There were no material Related Party transactions
8	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> • The Company did not have any material unlisted subsidiary and as a result the compliances in respect of material unlisted subsidiary were not applicable • Review of financial statements of unlisted subsidiary by the Audit Committee • Other Corporate governance requirements with respect to subsidiary of listed entity • Significant transactions and arrangements of unlisted subsidiary
9	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> • Maximum directorships and tenure • Meetings of Independent Directors • Familiarization of Independent Directors
10	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	26	Yes	<ul style="list-style-type: none"> • Members/Chairmanships in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosure of shareholding by non-executive Directors • Disclosure by Senior Management about potential conflicts of interest • Agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by key managerial persons, director and promoter
11	Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> • Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance
12	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> • Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management Personnel • Details of establishment of Vigil Mechanism / Whistle Blower policy • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries • Details of familiarization programmes imparted to Independent Directors

General Shareholders Information

The required information is provided in "Shareholders information" Section.

Other Disclosures**Related Party Transaction**

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

Policy on materially significant related party transactions:

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

Any Non-compliance, Penalties or Strictures Imposed

- The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.
- Policy on determination of materiality of event or information: In accordance with the requirement of the Listing Regulations, the Company has formulated a policy on determination of materiality of event or information which is available on the Company's website at www.kunststoffeindia.com

- Policy for Preservation of Documents:

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

- Policy for Prohibition of Insider Trading:

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

- Code of Conduct

The Company has adopted a Code of Conduct for its Directors, Senior Management and employees of the Company. This Code of Conduct has been communicated to each of them. All members of the Board of Directors and Senior Management including Key Management Personnel affirm compliance with the Code of Conduct at the time of their appointment and thereafter on an annual basis. A certificate from Ms. Soniya P. Sheth, Managing Director, to this effect has been obtained and forms part of this Annual report. The Policy for the same is available on Company's website: www.kunststoffeindia.com.

Vigil Mechanism:

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

Whistle Blower policy:

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. 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.

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The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. The Policy provides adequate safeguard against victimization of director(s) / employee(s) who raise the concern and have access to the Chairman of Audit Committee who is entrusted to oversee the whistle blower mechanism and that no person has been denied access of Audit Committee. Policy is available on the website of the Company www.kunststoffeindia.com.

GENERAL SHAREHOLDER INFORMATION

Company's Registration No.	:	CIN: L65910MH1985PLC037998
Date, time and venue of 34th AGM	:	Monday, 28th September, 2020 at 11.00 A.M. At The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai- 400 019.
Dates of Book Closure (Both days inclusive)	:	22/09/2020 to 28/09/2020
Listing on Stock Exchanges	:	Bombay Stock Exchange Ltd., Mumbai
Listing Fees	:	Paid for above stock exchange as per the Listing Regulations
Demat Arrangement	:	With NSDL and CDSL
ISIN No.	:	INE 638D01021
BSE Stock Code	:	523594
Registered Office (Address for correspondence)	:	Kiran Building, 128, Bhaudaji Road, Matunga, Mumbai- 400019. Tel No. 022-24082689/90 Fax No.022-24044853
Company's E-Mail ID	:	kunststoffe@kunststoffeindia.com
Company's Website	:	www.kunststoffeindia.com
WORKS (Plant location)	:	Airport Road, Kadaiya, Nani Daman, Daman (U.T.) 396 210.
Registrar & Share Transfer Agents	:	Sharex Dynamic (India) Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400 083. Tel No.022- 2851 5606, 28515644 Fax No.022-2851 2885 Email: support@sharexindia.com
Share Transfer System		
The power to approve the transfer of securities has been delegated by the Board to the Share Transfer Agents. Share transfer requests are processed within fifteen (15) days from the date of receipt.		
Compliance Officer	:	Ms. Padmini Ravindran Company Secretary

Stock Data:
High and Low prices at BSE

Month	High (₹)	Low (₹)
April 2019	27.55	27.55
May 2019	-	-
June 2019	26.20	20.30
July 2019	29.50	19.80
August	26.25	18.90
September 2019	27.60	24.95
October	23.75	21.50
November 2019	22.25	18.60
December 2019	17.70	13.55
January 2020	14.22	10.52
February 2020	11.00	8.97
March 2020	8.97	4.08

Source: www.bseindia.com

Distribution of Shareholding as on 31st March, 2020:

Category of Shareholder	Number of Shareholders	Percentage of (A+B+C)	Total Number of shares held
(A) Shareholding of Promoters & Promoter Group			
(1) Indian	7	43.29	2982432
(2) Foreign	0	0.00	0
Total shareholding of Promoter & Promoter Group	7	43.29	2982432
(B) Public Shareholding			
(1) Institutions	5	0.62	42840
(2) Non - Institutions.	13383	56.09	3864728
Total Public Shareholding	13388	56.71	3907568
(C) Shares held by custodians	0	0.00	0
Total (A)+(B)+(C)	13395	100.00	6890000

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Distribution of Shareholding as on 31st March, 2020:

No. of Equity Shares	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
1 -100	9764	72.893	515327	7.479
101-200	2242	16.738	352483	5.116
201-500	927	6.920	299623	4.349
501-1000	229	1.710	167036	2.424
1001-5000	161	1.202	339182	4.923
5001-10000	33	0.246	256942	3.729
10001-100000	32	0.239	725203	10.525
100001- and above	7	0.052	4234204	61.454
Total	13395	100.00	6890000	100.000

Dematerialization of equity shares

The shares of the Company have been brought under compulsory demat mode with effect from June, 2001. As on 31st March, 2020 about 79.13% shareholding representing 5452469 shares of the Company have been converted into demat form. The Company has executed agreements with both NSDL and CDSL for demat of its shares.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

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

Foreign Exchange Risk & Hedging activities

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

Disclosures

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

Discretionary Requirements

The Board

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

Shareholders Rights

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

Audit Qualification

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

Separate posts of Chairman and Chief Executive Officer

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

Reporting of Internal Auditors

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

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

I, Soniya P. Sheth, Managing Director of Kunststoffe Industries Limited declare that all the members of the Board and Seniors Management Personnel of the Company have affirmed due observance of the Code of Conduct framed, pursuant to Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2020.

Place: Mumbai
Date: 10th August, 2020

Soniya P. Sheth
Managing Director
DIN: 02658794

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, 2020 with the relevant records and documents maintained & furnished to us by the Company and as approved by the Board of Directors as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
2. The Compliance of conditions on Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of our review and according to information and explanations provided to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Akshay Kirtikumar & Associates
Chartered Accountants

Akshay K. Shah
Proprietor
Membership No: 155729

Place: Mumbai
Date: 10th August, 2020

KUNSTSTOFFE INDUSTRIES LTD.

CEO AND CFO CERTIFICATION

We hereby certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2020 and to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) They are, to the best of our knowledge and belief; no transactions entered into by the Company during the year ended 31st March, 2020 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
 - i. isignificant changes in internal control over financial reporting during the year under reference;
 - ii. significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. instances during the year of significant fraud with involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Kunststoffe Industries Limited

Unnati P. Sheth
Chief Financial Officer

Soniya P. Sheth
Managing Director
DIN: 02658794

Place: Mumbai

Date: 10th August, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of

Kunststoffe Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kunststoffe Industries Limited ('the Company'), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including Other Comprehensive Income, if any), statement of cash flow and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We have determined that there were no key audit matters to communicate in our report.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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

KUNSTSTOFFE INDUSTRIES LTD.

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.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. . Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors;
- Conclude on the appropriateness of management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by section 143(3) of the Act, we report that;
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of accounts
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company has disclosed the impact of pending litigation on its financial position as at 31 March 2020, if any;
 - ii. The Company has made provision as at 31 March 2020, as required under the applicable law or Ind AS, for material foreseeable losses, if any, to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;
 - iv. The disclosure in the financial statements regarding holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Akshay Kirtikumar & Associates
Chartered Accountants
Firm's Registration No.: 138182W

Akshay Shah
Proprietor
Membership No.: 155729
Mumbai, 29 June 2020

KUNSTSTOFFE INDUSTRIES LTD.

Appendix A to the Independent Auditor's Report

31 March 2020

(Referred to our report on even date)

- (i) In respect of the Company's fixed assets :
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its, by which all fixed assets are verified in a phased manner over a period of years. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed / share certificate / other documents evidencing title, we report that the title deeds of immovable properties of land and building which are freehold, as disclosed in Note 8 to the financial statements, are held in the name of the Company. The Company have not taken any immovable properties of land and buildings on lease.
- (ii) The inventory, except goods-in-transit and goods lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties at year end, these have substantially been confirmed by them.
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanation given to us, the Company has complied with the provisions of Section 186 of the Act, in respect of making investments as applicable. The Company has not granted any loans or provided any guarantees or security on behalf of the parties covered under Section 185 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures. Accordingly paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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- (xi) According to the information and explanations give to us and based on our examination of the records, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable and the details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For Akshay Kirtikumar & Associates
Chartered Accountants
Firm's Registration No.: 138182W

Akshay Shah
Proprietor
Membership No.: 155729
Mumbai, 29 June 2020

KUNSTSTOFFE INDUSTRIES LTD.

Annexure B to the Independent Auditors' Report

on the financial statements of Kunststoffe Industries Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Kunststoffe Industries Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to

permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

For Akshay Kirtikumar & Associates
Chartered Accountants
Firm's Registration No.: 138182W

Akshay Shah
Proprietor
Membership No.: 155729
Mumbai, 29 June 2020

KUNSTSTOFFE INDUSTRIES LTD.**Balance Sheet as at 31 March, 2020**

Amount in Indian Currency

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
ASSETS			
Property, plant and equipment	8	5,20,61,034	5,16,80,039
Non current assets	9	26,44,008	14,24,695
Other non current assets	10	1,50,00,000	-
Total non current assets		6,97,05,042	5,31,04,734
Current assets			
Inventories	11	1,19,73,571	1,33,92,774
Financial assets			
Trade receivables	12	1,36,55,193	1,23,70,728
Cash and cash equivalents	13	91,42,561	1,83,01,686
Other current assets	14	38,74,203	49,90,708
Total current assets		3,86,45,528	4,90,55,896
TOTAL ASSETS		10,83,50,570	10,21,60,630
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	6,89,00,000	6,89,00,000
Other equity	16	1,23,77,080	77,81,912
Total Equity		8,12,77,080	7,66,81,912
Current liabilities			
Financial liabilities			
Trade payable	17	2,25,91,486	1,83,51,707
Provisions	18	25,50,168	11,46,577
Other current liabilities	19	19,31,836	59,80,435
Total Liabilities		2,70,73,490	2,54,78,719
TOTAL EQUITY & LIABILITIES		10,83,50,570	10,21,60,631

The notes referred to above form an integral part of the financials statements

As per our report of even date

For and on behalf of the Board of Directors of
Kunststoffe Industries Limited

For Akshay Kirtikumar & Associates

Chartered Accountants

Firm Registration No: 138182W

Sonia P. Sheth

Managing Director

S. Chacko

Director

Akshay K. Shah

Proprietor

Membership No.: 155729

Padmini Ravindran

Company Secretary

Unnati P. Sheth

CFO

Place : Mumbai

Date : 29 June 2020

Place : Mumbai

Date : 29 June 2020

Statement of Profit and Loss for the year ended 31 March, 2020

Particulars	Note No.	For the year ended 31 March, 2020 ₹	For the year ended 31 March, 2019 ₹
INCOME			
Revenue from operations	20	9,44,30,224	11,97,81,309
Other Income	21	22,69,731	12,75,734
Total income		9,66,99,955	12,10,57,043
EXPENSES			
Cost of Materials Consumed	22	5,76,80,659	8,38,74,866
Changes in Inventories	23	11,16,306	(18,70,004)
Employee Benefits Expense	24	1,15,55,607	1,00,21,027
Depreciation/Amortisation expenses		24,63,737	17,07,586
Selling & Distribution Expenses	25	13,61,730	14,36,914
Other expenses	26	1,59,26,749	2,02,16,914
Total expenses		9,01,04,787	11,53,87,303
Profit / (Loss) before tax		65,95,168	56,69,740
Tax expense:			
Current tax expense		20,00,000	5,50,168
Deferred tax		-	-
Total Comprehensive Income		45,95,168	51,19,572
Earning per equity share of nominal value of ₹ 10/- each	28		
Basic and Diluted earnings per share		0.67	0.74

The notes referred to above form an integral part of the financials statements

As per our report of even date

**For and on behalf of the Board of Directors of
Kunststoffe Industries Limited**

For Akshay Kirtikumar & Associates

Chartered Accountants

Firm Registration No: 138182W

Sonia P. Sheth

Managing Director

S. Chacko

Director

Akshay K. Shah

Proprietor

Membership No.: 155729

Padmini Ravindran

Company Secretary

Unnati P. Sheth

CFO

Place : Mumbai

Date : 29 June 2020

Place : Mumbai

Date : 29 June 2020

KUNSTSTOFFE INDUSTRIES LTD.

Cash Flow Statement for the year ended 31 March, 2020

Particulars	For the year ended 31 March, 2020		For the year ended 31 March, 2019	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Profit after tax		45,95,168		56,69,740
Add: Non cash items considered seperately				
Depreciation and amortisation	24,63,737		17,07,586	
Provision for Income Tax	20,00,000	44,63,737	5,50,168	22,57,754
Operating profit before working capital changes		90,58,905		79,27,494
Less: Items considered seperately				
<i>Interest income</i>		(91,354)		75,734
		89,67,551		78,51,760
Changes in working capital				
Inventories	14,19,203		(9,75,604)	
Trade receivables	(12,84,465)		(1,14,896)	
Other current assets	11,16,505		91,18,753	
Trade payables	42,39,779		(43,00,911)	
Other current liabilities	(40,48,599)		33,95,730	
Short-term Provisions	(5,96,409)	8,46,015	2,22,570	73,45,642
Cash Generated form Operations		98,13,566		1,51,97,402
Net income tax (paid) / refunds		(12,18,732)		(5,50,168)
Net cash flow from operating activities (A)		85,94,834		1,46,47,234
B. Cash flow from investing activities				
Purchase of Fixed Assets		(28,45,313)		(15,90,012)
Interest received		91,354		75,734
Net cash flow used in investing activities (B)		(27,53,959)		(15,14,278)
C. Cash flow from financing activities				
Net cash flow from financing activities (C)		-		-
Net increase in Cash and cash equivalents (A+B+C)		58,40,875		1,31,32,956
Cash and cash equivalents at the beginning of the year		1,83,01,686		51,68,730
Cash and cash equivalents at the end of the year		2,41,42,561		1,83,01,686
NET INCREASE IN CASH AND CASH EQUIVALENTS		58,40,875		1,31,32,956

The notes referred to above form an integral part of the financials statements

As per our report of even date

For and on behalf of the Board of Directors of
Kunststoffe Industries Limited

For Akshay Kirtikumar & Associates

Chartered Accountants

Firm Registration No: 138182W

Sonia P. Sheth

Managing Director

S. Chacko

Director

Akshay K. Shah

Proprietor

Membership No.: 155729

Padmini Ravindran

Company Secretary

Unnati P. Sheth

CFO

Place : Mumbai

Date : 29 June 2020

Place : Mumbai

Date : 29 June 2020

Statement of Changes in Equity For the year ended 31 March, 2020

A. Equity Share Capital

Particulars	Balance at the beginning of the reporting period i.e.1 April 2018	Change in Equity Share Capital during the year 2018-19	Balance at the end of the reporting period i.e. 31 March 2019	Change in Equity Share Capital during the year 2019-20	Balance at the end of the reporting period i.e. 31 March 2020
Equity Share Capital	6,89,00,000	-	6,89,00,000	-	6,89,00,000

B. Other Equity

Particulars	Balance at the beginning of the reporting period i.e.1 April 2018	Total Comprehensive Income for the year	Transfer to / (from) Retained Earnings, Other Additions / Deletions	Share Application Money Received	Balance at the end of the reporting period i.e. 31 March 2019
As at 31 March 2019					
Reserves and Surplus					
Securities Premium Reserve	1,97,50,000				1,97,50,000
Capital Reduction Reserve	7,05,08,254				7,05,08,254
Revaluation Reserve	2,75,87,159		-		2,75,87,159
General Reserve	70,72,939		-		70,72,939
Retained Earnings	(12,22,55,375)	51,19,572	-		(11,71,35,802)
	26,62,977	51,19,572	-	-	77,82,550

Particulars	Balance at the beginning of the reporting period i.e. 1 April 2019	Total Comprehensive Income for the year	Transfer to / (from) Retained Earnings	Share Application Money Returned / Shares Allotted	Balance at the end of the reporting period i.e. 31 March 2020
As at 31 March 2020					
Reserves and Surplus					
Securities Premium Reserve	1,97,50,000				1,97,50,000
Capital Reduction Reserve	7,05,08,254				7,05,08,254
Revaluation Reserve	2,75,87,159				2,75,87,159
General Reserve	70,72,939				70,72,939
Retained Earnings	(11,71,35,802)	45,95,168			(11,25,40,634)
	77,82,550	45,95,168	-	-	1,23,77,718

KUNSTSTOFFE INDUSTRIES LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

1. Corporate information

Kunststoffe Industries Limited ("Company") is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchanges. The Registered office of Company is located at Kiran Building 128, Bhaudaji Road, Matunga East, Mumbai 400019.

The Company is primarily engaged in the business of manufacture of HDPE/PP Pipes etc.

2. Basis of preparation of financial statements

2.1. Statement of Compliance

These financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('The Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The financial statements for the year ended 31 March 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting.

2.2. Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

2.3. Use of estimate and judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2020 are as follows:

2.3.1. Property, plant and equipment:

Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

2.3.2. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit loss model. The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

2.3.3. Allowances for inventories

Management reviews the inventory age listing on a periodic basis. The review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statement for any obsolete and slow-moving items.

2.3.4 Recognition of deferred tax assets and income tax

Deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets. Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

2.3.5. Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

2.3.6. Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

3. Functional and Presentation Currency

The financial statements are presented in Indian Rupees which is the functional currency for the Company.

4. Current / non-current classification

An entity shall classify an asset as current when-

- (a) it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realize the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

otherwise as non-current.

An entity shall classify a liability as current when-

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

otherwise as non-current.

5. Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

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Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

6. Significant Accounting Policies

6.1. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates these components separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest. NO CWIP

Property, plant and equipment are derecognized either on disposal or when the asset retires from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on the property, plant and equipment is provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

6.2. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Classification:

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL /FVTOCI)
- Financial assets at amortized cost

When assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognized in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

Financial Assets measured at amortized cost (net of write down for impairment, if any):

Financial assets are measured at amortized cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognized in the Statement of profit and loss.

Financial Assets measured at Fair Value through Other Comprehensive Income (“FVTOCI”):

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Financial Assets measured at Fair Value through Profit or Loss (“FVTPL”):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

Investment in Subsidiary:

Investment in equity instruments of Subsidiaries are measured at cost. In the financial statements, investment in subsidiaries is carried at cost. The carrying amount is reduced to recognize any impairment in the value of investment.

Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instrument, are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss is classified as FVTOCI. Fair value changes on the instrument, excluding dividends are recognized in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments:

A debt instrument is measured at amortized cost or at FVTOCI. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Derecognition of Financial Assets:

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

Financial Liabilities:

Classification:

The Company classifies all financial liabilities as subsequently measured at amortized cost or FVTPL.

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Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition of Financial Liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Derivative Financial Instrument:

The Company uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any changes therein are generally recognized in the statement of profit and loss.

6.3. Inventories

Raw materials and packing materials are valued at lower of cost (on moving weighted average basis) and the net realizable value, cost of which includes duties and taxes (net off CENVAT and Goods and Service Tax wherever applicable). Cost of imported raw materials and packing materials lying in bonded warehouse includes the amount of customs duty. Finished products, are valued at lower of cost and net realizable value. Cost is arrived on moving weighted average basis.

The cost of Inventories have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal operating capacity and other related cost incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses necessary to make the sale.

6.4. Cash and Cash Equivalents

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

6.5. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash

receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company is segregated.

6.6. Foreign Currency Transactions

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated. Foreign currency exchange differences are generally recognized in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognized in the Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognized in Other Comprehensive Income, any exchange component of that gain or loss is recognized in Other Comprehensive Income.

6.7. Revenue Recognition

Under Ind AS 115, the Company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Sale of Goods

The Company applied Ind AS 115 using the modified retrospective approach. Revenue is measured based on the transaction price adjusted for discounts and rebates, which is specified in a contract with customer. Revenues are net of estimated returns and taxes collected from customers.

Revenue from sale of goods is recognized at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods are made available to the customer.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer

The consideration can be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur.

Sales return is variable consideration that is recognized and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.

Interest income

Interest income is recognized with reference to the Effective Interest Rate method.

Income from Export Benefits and Other Incentives

Export benefit available under prevalent schemes are accrued as revenue in the year in which the goods are exported and/ or services are rendered only when there is reasonable assurance that the condition attached to them will be complied with and the amounts will be received.

6.8. Employee Benefit

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;

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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;

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.

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex- gratia are recognized during the period in which the employee renders related service. Retirement benefits are accounted as and when the same become due for payment.

6.9. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

6.10. Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

6.11. Earning Per Share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

6.12. Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available

against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax ('MAT') credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

6.13. Dividend to Shareholders

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

6.14. Provisions, Contingent Liabilities, Contingent Assets and Commitments

General

Provisions (legal and constructive) are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If there is any expectation that some or all of the provision will be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any virtually certain reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimates is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote

Contingent liabilities are not recognized but disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets and Non-cancellable operating lease.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

7. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government,

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to stem the spread of COVID-19. Due to this, the operations in Company's manufacturing activities got temporarily disrupted.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Notes-8 Property, plant and equipment , capital work-in-progress, investment property and other intangible assets

8.1. Current year

Amount in Indian Currency

Particulars	Gross block		Accumulated depreciation/ amortisation loss		Net block
	1 April 2019	31 March 2020	1 April 2019	31 March 2020	
Property, plant and equipment					
Freehold land	2,40,00,000	2,40,00,000	-	-	2,40,00,000
Building	1,32,62,184	1,33,12,184	50,000	1,38,966	86,65,134
Plant and equipment	16,78,64,625	2,66,207	15,00,97,463	20,35,353	1,59,98,016
Furniture and fixtures	6,32,565	3,53,272	2,42,673	77,689	6,65,475
Lab equipment	4,34,118	-	4,34,118	11,544	(11,544)
Computer	3,03,614	-	2,77,473	26,141	3,03,614
Other electrical items	7,62,000	20,15,000	19,837	1,74,044	25,83,119
Office equipment	-	1,60,834	-	-	1,60,834
Total	20,72,59,106	28,45,313	15,55,79,648	24,63,737	5,20,61,034

8.2. Previous year

Particulars	Gross block		Accumulated depreciation/ amortisation loss		Net block
	1 April 2018	31 March 2019	1 April 2018	31 March 2019	
Property, plant and equipment					
Freehold land	2,40,00,000	2,40,00,000	-	-	2,40,00,000
Building	1,31,40,784	1,21,400	43,70,436	1,37,648	87,54,100
Plant and equipment	16,71,72,625	6,92,000	14,86,30,805	14,66,658	1,77,67,162
Furniture and fixtures	6,18,535	14,611	1,85,371	57,302	3,90,473
Lab equipment	4,34,118	-	4,34,118	-	-
Computer	3,03,614	-	2,51,332	26,141	26,141
Other electrical items	-	7,62,000	-	19,837	7,42,163
Total	20,56,69,676	15,90,011	15,38,72,062	17,07,586	5,16,80,039

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Amount in Indian Currency

9 Non current assets

Particulars	As at 31 March 2020	As at 31 March 2019
Income taxes paid	26,44,008	14,24,695
	26,44,008	14,24,695

10 Other non current asset

Particulars	As at 31 March 2020	As at 31 March 2019
Fixed deposit	1,50,00,000	-
	1,50,00,000	-

11 Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
Valued at lower of cost or net realisable value		
Raw materials	1,03,48,332	1,06,51,229
Finished goods	16,25,239	27,41,545
	1,19,73,571	1,33,92,774

12 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables (Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they were due for payment		
Others	1,36,55,193	1,23,70,728
Less: Loss allowance	-	-
	1,36,55,193	1,23,70,728

13 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	2,93,352	2,15,716
Balances with banks		
- In current accounts	88,49,209	1,80,85,970
	91,42,561	1,83,01,686

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14 Other current assets

Amount in Indian Currency

Particulars	As at 31 March 2020	As at 31 March 2019
Other than capital advances	1,03,737	25,30,565
Scarp value receivable	15,50,000	15,50,000
Balance with government authorities		
Deposits	1,04,456	1,04,456
Value Added Tax receivable	2,40,919	2,40,919
Goods and Service tax credit receivable	17,10,991	4,01,768
Other deposits	1,64,100	1,63,000
	38,74,203	49,90,708

15 Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
1,50,00,000 (31 March 2019: 1,50,00,000) equity shares of ₹10/- each	15,00,00,000	15,00,00,000
Issued, subscribed & paid up		
68,90,000 (31 March 2019: 68,90,000) equity shares of ₹ 10/- each	6,89,00,000	6,89,00,000
	6,89,00,000	6,89,00,000

(i) Reconciliation of the number of Equity shares

Equity shares	As at 31 March 2020		As at 31 March 2019	
	Nos.	₹	Nos.	₹
Opening number/amount of equity shares	68,90,000	6,89,00,000	68,90,000	6,89,00,000
Add/(Less):				
Issued/forfited during the year	-	-	-	-
Closing number/amount of equity shares	68,90,000	6,89,00,000	68,90,000	6,89,00,000

(ii) Rights, preferences and restrictions attached to shares

The Company has a single class of equity shares having at par value of ₹ 10/- per share. Each holder of equity share is eligible to one vote per share held. In the event of liquidation of the Company, the equity shareholders are eligible 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.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(iii) The Company is not a subsidiary of any other company

KUNSTSTOFFE INDUSTRIES LTD.

(iv) Details of shares held by each shareholder holding more than 5% shares: Amount in Indian Currency

Class of shares / Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Nos.	% held	Nos.	% held
Equity shares with voting rights				
Pravin V Sheth	14,56,266	21.14	14,56,266	21.14
Bharat Equity Services Ltd	3,39,490	4.93	3,39,490	4.93
Gayatri Pipes & Fittings Pvt .Limited	6,50,000	9.43	6,50,000	9.43
Soniya P Sheth	4,68,477	6.80	3,88,622	5.64
Bharat Capital & Holdings Limited	10,08,088	14.63	10,08,088	14.63

(v) In respect of the paid up equity share capital, there is no allotment as bonus or for consideration other than cash, buyback or other movements, during the year ended 31 March 2020.

16 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium account	1,97,50,000	1,97,50,000
Revaluation Reserve	2,75,87,080	2,75,87,080
General reserve	70,72,939	70,72,939
Capital reduction reserve	7,05,08,254	7,05,08,254
Deficit in Statement of Profit and Loss		
Opening balance	(11,71,36,362)	(12,22,55,934)
Add: Profit for the year	45,95,168	51,19,572
Closing balance	(11,25,41,194)	(11,71,36,362)
	1,23,77,080	77,81,912

17 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding due to micro, small and medium enterprise	-	-
Total outstanding to creditors other than micro, small and medium enterprise	2,25,91,486	1,83,51,707
	2,25,91,486	1,83,51,707

18 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employees benefit	-	5,96,409
Provision for income tax	25,50,168	5,50,168
	25,50,168	11,46,577

19 Other current liabilities

Amount in Indian Currency

Particulars	As at 31 March 2020	As at 31 March 2019
Other payables	-	48,29,617
Customer deposit	1,00,000	1,00,000
GST liabilities	17,01,274	7,71,700
TDS liabilities	1,30,562	1,26,612
Statutory remittances	-	1,52,506
	19,31,836	59,80,435

20 Revenue from operations

Particulars	31 March 2020	31 March 2019
Sale of products		
Finished goods	9,42,45,214	11,97,81,309
Other operating income	1,85,010	-
	9,44,30,224	11,97,81,309

21 Other income

Particulars	31 March 2020	31 March 2019
Interest income		
- from banks	69,199	11,024
- from others	22,155	64,699
Miscellaneous Income	6,18,729	11
Foreign exchange fluctuation	3,59,648	-
Rent received	12,00,000	12,00,000
	22,69,731	12,75,734

22 Cost of materials consumed

Particulars	31 March 2020	31 March 2019
Opening stock	1,06,51,229	1,15,45,624
Add: Purchases	5,73,77,762	8,29,80,471
	6,80,28,991	9,45,26,095
Less: Closing stock	1,03,48,332	1,06,51,229
	5,76,80,659	8,38,74,866

KUNSTSTOFFE INDUSTRIES LTD.

23 Changes in inventories of finished goods

Amount in Indian Currency

Particulars	31 March 2020	31 March 2019
Inventories at the end of the year:		
Finished goods	16,25,239	27,41,545
Inventories at the beginning of the year:		
Finished goods	27,41,545	8,71,541
	11,16,306	(18,70,004)

24 Employee benefits expense

Particulars	31 March 2020	31 March 2019
Salaries and wages	1,00,04,818	88,16,811
Contributions to provident and other funds	9,56,615	8,75,877
Staff welfare expenses	5,94,174	3,28,339
	1,15,55,607	1,00,21,027

Employee benefits :

As required by Ind AS 19 ' Employee Benefits' the disclosures are as under:

Defined Contribution Plan

The Company offers its employees defined contribution plans in the form of provident fund (PF) and Employees' pension scheme (EPS) for all employees, with the government authorities. Contributions are made to the Government administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund, contributions into the Pension fund is made only by the Company. The Company recognised ₹ 9,56,615/- (31 March, 2019: ₹ 8.75.877/-) The contributions are normally based on a certain proportion of the employee's salary and the contribution payable to these plans by the Company are at rates specified in the rules of the schemes.

25 Selling & Distribution Expense

Particulars	31 March 2020	31 March 2019
Commission on sales	12,51,236	13,04,336
Sales Promotion	1,390	17,600
Advertisement & Publicity	1,09,104	1,14,978
	13,61,730	14,36,914

26 Other expenses

Particulars	31 March 2020	31 March 2019
Other manufacturing expense	9,96,528	9,97,874
Power and fuel	1,09,85,089	1,38,96,654
Communication expenses	57,781	70,590
Coolie & cartage expenses	1,02,105	1,04,162
Data processing charges	1,27,632	3,03,437
Donation	-	4,17,500
Insurance	87,072	37,041
Legal and professional	1,25,000	1,77,950
Miscellaneous expenses	1,56,113	3,52,415
Office expenses	2,82,546	42,196
Postage & telegram	5,22,627	8,58,189
Printing and stationery	2,37,277	2,19,666
Rates and taxes	5,19,484	3,04,946
Rent	72,000	72,000
Repairs and maintenece		
- Buildings	1,150	57,250
- Machinery	1,75,322	6,74,870
- Others	51,612	2,28,001
Security charges	11,71,640	11,79,190
Travelling and conveyance	2,55,771	2,22,983
Total	1,59,26,749	2,02,16,914

27 Remuneration to auditors

Particulars	31 March 2020	31 March 2019
Audit fees	50,000	50,000
Tax Audit	50,000	50,000
Total	1,00,000	1,00,000

28 Earnings Per Share

The numerator and denominator used to calculate basic and diluted earnings per share:

Particulars	31 March 2020	31 March 2019
Profit attributable to equity holders for Basic EPS	45,95,168	51,19,572
Add: Dilutive effect on profit	-	-
Profit attributable to equity holders for Diluted EPS	45,95,168	51,19,572
Weighted average number of equity shares outstanding for Basic EPS	68,90,000	68,90,000
Add: Dilutive effect of outstanding number of equity shares	-	-
Weighted average number of equity shares outstanding for Dilutive EPS	68,90,000	68,90,000
Basic earning per share	0.67	0.74
Diluted earning per share	0.67	0.74

KUNSTSTOFFE INDUSTRIES LTD.

29 Details of dues to Micro And Small Enterprises as defined under the Micro, Small and Medium enterprises development act, 2006:

Particulars	31 March 2020	31 March 2019
Total outstanding dues of micro enterprises and small enterprises(as per the intimation received from vendors)		
a) Principal and interest amount remaining unpaid	-	-
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d) Interest accrued and remaining unpaid	-	-
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

30 Related party disclosure as required by IND AS 24 are given below :

A) Relationships :

Category I - Director and Key Managerial Personnel

Soniya Sheth	Managing Director
Unnati P. Sheth	Chief Financial Officer
Dipika Shinde	Company Secretary

Category II - Enterprise over which persons covered under Category I above are able to exercise significant control :

Fiberweb (India) Limited
 Stallion Breweries Limited
 Parijat Private Limited
 Sun Capital & Consultancy Private Limited
 Sun Properties Private Limited
 Star Developers Private Limited
 Bharat Capital & Holding Limited

Category III - Others (Relative of Key Management Personnel)

Pravin Sheth Husband of Soniya Sheth

30 Related party disclosure as required by IND AS 24 are given below :

B) The following transaction were carried out with related parties :

Particulars	31 March 2020	31 March 2019
Compensation to Key Mangerial Person		
Short Term Employee Benefit		
Soniya Sheth	36,00,000	28,82,815
Unnati Sheth	4,80,000	5,51,284
Dipika Shinde	-	-
Padmini Ravindran	-	2,38,600
Rent paid		
Unnati Sheth	-	4,86,684
Pravin Sheth	72,000	-
Rent received		
Fiberweb (India) Limited	12,00,000	-
Purchase of MEIS Licencse from		
Fiberweb (India) Limited	16,82,344	9,61,719

Director sitting fees are paid during the year which are not considered in the related party transactions

C) Amount outstanding :

Particulars	31 March 2020	31 March 2019
Receivable		
Fiberweb (India) Limited	29,56,442	16,02,817

31 Debtors and Creditors balances are subject to confirmations from the parties.

32 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.

33 Figures of the current year and previous year have been re-grouped / rearranged /reclassified wherever necessary.

The notes referred to above form an integral part of the financials statements

As per our report of even date

**For and on behalf of the Board of Directors of
Kunststoffe Industries Limited**

For Akshay Kirtikumar & Associates

Chartered Accountants

Firm Registration No: 138182W

Sonia P. Sheth

Managing Director

S. Chacko

Director

Akshay K. Shah

Proprietor

Membership No.: 155729

Padmini Ravindran

Company Secretary

Unnati P. Sheth

CFO

Place : Mumbai

Date : 29 June 2020

Place : Mumbai

Date : 29 June 2020



KUNSTSTOFFE INDUSTRIES LIMITED

CIN L65910MH1985PLC037998

Registered office: Kiran Building, 128, Bhaudaji Road, Matunga (E), Mumbai- 400 019

Website:www.kunststoffeindia.com Email: kunststoffe@kunststoffeindia.com Tel:022-24082689/90 Fax: 022-24044853

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 34th Annual General Meeting of the Company being held on Monday, 28th September, 2020 at 11.00 a.m. at The Mysore Association, Bombay, 393, 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

CIN L65910MH1985PLC037998

Registered office: Kiran Building, 128, Bhaudaji Road, Matunga (E), Mumbai- 400 019

Website:www.kunststoffeindia.com Email: kunststoffe@kunststoffeindia.com Tel:022-24082689/90 Fax: 022-24044853

FORM NO. MGT-11 PROXY FORM

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

CIN: L65910MH1985PLC037998

Name of the Company: KUNSTSTOFFE INDUSTRIES LIMITED.

Registered office: Kiran Building, 128, Bhaudaji Road, Matunga (E), 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:

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 34th Annual General Meeting of the Company to be held on Monday, 28th September 2020 at 11.00 a.m. at The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai– 400 019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Optional*

Resolution No.	Resolution	For	Against	Abstain
Ordinary Business				
1	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon.			
2	To reappoint Ms. Soniya P. Sheth (DIN: 02658794), Managing Director who retires by rotation and being eligible offers herself for re-appointment.			
Special Business				
3	To re-appoint Mr. Rajender Sharma (DIN: 07241852), as an Independent Director.			

Signed this..... day of2020.

Signature of shareholder (s).....

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

Affix 1 Rupee Revenue Stamp

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- (2) For the Resolution, Explanatory Statement and Notes please refer to the Notice of the 34th Annual General Meeting.
- * (3) It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) Please complete all details including details of member(s) in above box before submission.

Kunststoffe Industries Limited AGM ROUTE MAP



 The Mysore Association, Bombay,
393, Bhaudaji Road, Matunga,
Mumbai – 400 019

If undelivered, please return :

SHAREX DYNAMIC (INDIA) PVT. LTD

Unit : Kunststoffe Industries Limited

C-101, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai-400 083.