

KUNSTSTOFFE INDUSTRIES LIMITED

CIN. L65910MH 1985PLC037998

Mfrs. of : Spiral HDPE/PP Pipes, Tanks & Chemical Vessels

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

Tel : 022-2408 2689 / 90 Fax : 022-2404 4853 ♦ www.kunststoffeindia.com ★ Email : kunststoffe@vsnl.net

29th August, 2019

The Dy. Manager (Corporate Relations Dept.),

The Bombay Stock Exchange Ltd.,

1st Floor, New Trading Ring, Rotunda Bldg.,

P. J. Towers, Dalal Street, Fort,

MUMBAI – 400 001.

Ref:-Kunststoffe Industries Limited (BSE Scrip Code:- 523594)

Sub: Regulation 34 - Annual Report for the Financial Year 2018-19

Dear Sir/Madam,

This is to inform that the **Thirty third Annual General Meeting** of the members of the Company will be held on **Tuesday, September 24, 2019 at 11.00 a.m.** at The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai– 400 019 ("Annual General Meeting").

Pursuant to Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the **Annual Report** for the financial year **2018-19**, including the **Notice convening the Annual General Meeting**, is attached.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ("**e-voting**"). The **e-voting communication** giving instructions for e-voting, being sent along with the Annual Report is also attached.

Thanking you,

Yours faithfully,

For **Kunststoffe Industries Limited**



Padmini Ravindran

Company Secretary & Compliance Officer

Encl.: As above

Copy to:

National Securities Depository Ltd, Central Depository Services (India) Limited

Trade World, A Wing, 4th & 5th Floors,

Kamala Mills Compound,

Lower Parel, Mumbai 400013

Marathon Futurex, A-Wing,

25th Floor, NM Joshi Marg,

Lower Parel, Mumbai 400013

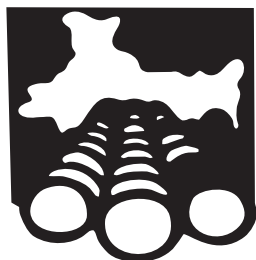
Sharex Dynamic (India) Private Limited,

C 101, 247 Park, LBS Marg,

Vikhroli West, Mumbai 400083.

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

Phone : (0260) 2221858 - 2220766 Fax : (0260) 2220758



KUNSTSTOFFE INDUSTRIES LIMITED

**33rd Annual Report
2018-2019**

KUNSTSTOFFE INDUSTRIES LIMITED

BOARD OF DIRECTORS

Ms. SONIYA P. SHETH – Managing Director
Mr. S. C. ASNOTKAR (upto 10/08/2018)
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

A. V. JOBANPUTRA & COMPANY
(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.

STOCK EXCHANGE LISTING

MUMBAI

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 **33rd Annual General Meeting** of the Members of **Kunststoffe Industries Limited** will be held on **Tuesday, 24th day of September, 2019 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, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the thirty eight Annual General Meeting and to fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies(Audit and Auditors) Rules, 2014 [as amended by the Companies(Audit and Auditors) Amendment Rules, 2018, the appointment of M/s. Akshay Kirtikumar & Associates, Chartered Accountants (Firm Registration Number.138182W), as the ‘Statutory Auditors’ of the Company, to hold office from the conclusion of this 33rd Annual General Meeting (AGM) till the conclusion of the 38th Annual General Meeting (AGM), i.e., for the Financial Years from 2019-20 to 2023-24, at such remuneration as may be mutually agreed upon between them and the Company.”

“RESOLVED FURTHER THAT the Directors of the Company and/ or the Chief Financial Officer and / or the Company Secretary be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto.”

SPECIAL BUSINESS

3. To re-appoint Ms. Soniya P. Sheth (DIN: 02658794) as Managing Director and in this regard to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197,203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 (**‘Act’**) and the Companies(Appointment and Remuneration of Managerial Personnel) Rules,2014, as amended from time to time, the consent of the Members be and is hereby accorded to the re-appointment and terms of remuneration of Ms. Soniya P. Sheth (DIN: 02658794) as Managing Director (**‘MD’**) of the Company for a period of five years, with effect from 29th September, 2019 to 28th September, 2024, liable to retire by rotation, upon the terms and conditions set out in the Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during her said tenure within the overall limits of Section 197 of the Act, as recommended by the Nomination and Remuneration Committee, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and MD.

RESOLVED FURTHER THAT the Board of Directors (the **‘Board’** which term includes a duly constituted Committee of the Board) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

4. To re-appoint Mr. Ujjwalkumar R. Jha (DIN: 06825669) 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. Ujjwalkumar R. Jha (DIN: 06825669), who was appointed as an Independent Director at the 28th Annual General Meeting of the Company and who holds office up to September 29, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section

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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 commencing with effect from 29th September, 2019 up to 28th September, 2024, not liable to retire by rotation.”

5. To re-appoint Mr. Bhaskar T. Iyer (DIN: 01711750) 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. Bhaskar T. Iyer (DIN: 01711750), who was appointed as an Independent Director at the 28th Annual General Meeting of the Company and who holds office up to September 24, 2019 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 commencing with effect from 29th September, 2019 up to 28th September, 2024, not liable to retire by rotation.”

6. To re-appoint Mr. Sacariah Chacko (DIN: 06825623) 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. Sacariah Chacko (DIN: 06825623), who was appointed as an Independent Director at the 28th Annual General Meeting of the Company and who holds office up to September 24, 2019 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 commencing with effect from 29th September, 2019 up to 28th September, 2024, not liable to retire by rotation.”

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

Padmini Ravindran
Company Secretary

Place: Mumbai
Date: 8th August, 2019

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

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 **17/09/2019 to 24/09/2019** (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.

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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:
The BSE Ltd., Phiroze Jeebhoy 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 Third 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. **September 17, 2019**.
 - (vi) A person, whose name is recorded in the register of member or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. **September 17, 2019** 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 **Saturday, 21/09/2019 at 9.00 a.m.** and ends **Monday, 23/09/2019 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Tuesday, 17/09/2019**, 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.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier 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 Members 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"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

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

KUNSTSTOFFE INDUSTRIES LTD.

(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 6. 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 6.

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.

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. 2:

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made there under, the present Statutory Auditors of the Company, M/s. A. V. Jobanputra & Co., Chartered Accountants (Firm Registration No. 104314W), will hold office until the conclusion of the ensuing Annual General Meeting and will not seek re-appointment. The Company is required to appoint another Auditor for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty eight Annual General Meeting.

The Board of Directors at its meeting held on August 8, 2019, after considering the recommendations of the Audit Committee, had recommended the appointment of M/s. Akshay Kirtikumar & Associates, Chartered Accountants (Firm Registration No.138182W), as the Statutory Auditors of the Company for approval of the members. The proposed Auditors shall hold office for a period of five consecutive years from the conclusion of the thirty third Annual General Meeting till the conclusion of thirty eight Annual General Meeting of the Company.

M/s. Akshay Kirtikumar & Associates, Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made there under.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. Akshay Kirtikumar & Associates, Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item no. 3:

Ms. Soniya P. Sheth Age: 34 years, Qualification: M.A. Nature of Expertise: She is Interior Decorator, Investment consultant & Dynamic professional also having good marketing experience. Name of Company in which she holds Directorship: 1) Kunststoffe Industries Limited, 2) Fiberweb (India) Limited, 3) Stallion Breweries Limited, 4) Chemical & Alkali Distributors Limited, 5) Parijat Private Limited, 6) Star Developers Private Limited, 7) Sun Capital And Consultancy Private Limited, 8) Sun Properties Private Limited, 9) Bharat Capital and Holdings Limited.

The Board of Directors of the Company (the 'Board'), at its meeting held on August 8, 2019 has, subject to the approval of members, appointed Ms. Soniya P. Sheth as Managing Director liable to retire by rotation for a period of 5 (five) years with effect from September 29, 2019 to September 28, 2024, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members' approval for the appointment of and remuneration payable to Ms. Soniya P. Sheth as Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of appointment of and remuneration payable to Ms. Soniya P. Sheth is as under:

1. Salary of ₹3,00,000/- per month including dearness allowance, with an annual increase of ₹15,000/-.
2. A commission @ 1% of the net profits of the Company subject to the ceiling prescribed under Schedule V (as amended) of the Companies Act, 2013.
3. The Company's contribution towards Provident Fund as per the Company's Rules but not exceeding 12% of the salary as laid down in the Income Tax Rules, 1962.
4. Privilege Leave on full pay and allowance as per the Rules of the Company but not exceeding 1 month's leave for every 11 months of service completed.
5. The Chairman & Managing Director shall not be entitled to any sitting fees for attending the meeting of the Board of Director or any Committee thereof.
6. Gratuity not exceeding half month's salary for each completed year of service.

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PERQUISITES:

Ms. Soniya P. Sheth shall be entitled to the following perquisites as Managing Director of the Company. However, the perquisites shall be counted for fulfilling the conditions mentioned in Schedule V of the Companies Act, 2013.

- a. Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in any year or three month's salary in a block of three years.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- c. Fees of clubs and credit/debit card for official use only.
- d. Personal accident and travel insurance, premium whereof shall not exceed ₹10,000/- per annum.
- e. For the purpose of computing the aforesaid ceiling, perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of Company's car for official duties and cellular phone and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of computing the aforesaid ceiling.

Further she will be paid the above mentioned remuneration even if there is loss/ inadequacy of profit as per Schedule V of the Companies Act, 2013.

General:

- (i) The Managing Director will perform her respective duties as such with regard to all work of the Company and she will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- (ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Managing Director shall adhere to the Company's Code of Business, Conduct & Ethics for Directors and Management Personnel.
- (iv) The office of the Managing Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

Ms. Soniya P. Sheth satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for her appointment.

She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Ms. Soniya P. Sheth under Section 190 of the Act.

Ms. Soniya P. Sheth is interested in the resolution set out at Item No. 3 of the Notice, which pertain to her re-appointment and remuneration payable to her.

The relatives of Ms. Soniya P. Sheth may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of her shareholding interest, if any, in the Company.

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

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

Item Nos. 4, 5 and 6

Mr. Ujjawalkumar R. Jha, Age: 53 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 also holds Directorship: None other than Kunststoffe Industries Limited., Name of the Companies in which he also holds Membership/ Chairmanship: Chairman of share transfer cum stakeholder relations committee and Audit 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. Ujjawalkumar R. Jha continues as an Independent Director of the Company.

Mr. Bhaskar T. Iyer, Age: 55 years, Qualification: B.Com. from Mumbai University, Nature of expertise: Vast business experience , particularly in field of marketing, good administrator, Name of the companies in which he also holds Directorship: 1) Kunststoffe Industries Limited, 2) AM Realty Private Limited, 3)AM Hygiene (International) Private Limited, 4) AM Entertainment And Broadcasting Private Limited. Name of companies in which he holds Membership/ Chairmanship: Member of Stakeholders Relationship/ Grievance Committee and Audit Committee of Kunststoffe Industries Limited.

He is not holding any shares of the Company.

Mr. Sacariah Chacko, Age: 64 years, Qualification: B.Com. Mech. Engineer, Nature of expertise: He is Mechanical Engineer and has about 30 years experience in the field of plastic processing and manufacturing, Name of the companies in which he also holds Directorship: None other than Kunststoffe Industries Limited, Name of companies in which he holds Membership/ Chairmanship: None.

He is not holding any shares of the Company.

It is proposed to re-appoint Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko as 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 38th Annual General Meeting of the Company in the calendar year 2024.

Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko were re-appointed as an Independent Directors 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. They hold office as Independent Directors 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 Directors, has recommended reappointment of Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko as an Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko would be beneficial to the Company and it is desirable to continue to avail their services as an Independent Directors. Accordingly, it is proposed to re-appoint Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko as an Independent Directors 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. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko for the office of Directors of the Company.

The Company has also received declarations from Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko that they 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.

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In the opinion of the Board, Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko fulfill the conditions for re-appointment as Independent Directors as specified in the Act and the Listing Regulations, 2015. Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko are independent of the management.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 4, 5 and 6, are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of the draft letters for respective appointments of Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko as an Independent Directors 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. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko are interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice with regard to their respective appointments.

The relatives of Mr. Ujjawalkumar R. Jha, Mr. Bhaskar T. Iyer and Mr. Sacariah Chacko may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice, to the extent of their 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 resolutions.

The Board commends the Special Resolutions set out at Item Nos. 4, 5 and 6 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: 8th August, 2019

Registered Office:

Kiran Building, 128,

Bhaudaji Road,

Matunga (E),

Mumbai- 400 019.

CIN:L65910MH1985PLC037998

E-mail:kunststoffe@kunststoffeindia.com

Website: www.kunststoffeindia.com

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. Ujjwalkumar R. Jha	Mr. Bhaskar T. Iyer	Mr. Sacariah Chacko
DIN	02658794	06825669	01711750	06825623
Date of Birth	14th February, 1985	18th October, 1965	24th July, 1964	1st December, 1955
Date of appointment	29th September, 2014	29th September, 2014	29th September, 2014	29th September, 2014
Qualification	M.A.	B.Com, ICWA (Inter)	B.Com. from Mumbai University	B.Com. Mech. Engineer
Nature of her Expertise	Interior Decorator, Investment consultant & Dynamic professional also having good marketing experience.	Experience in field Auditing, Accounting and Finance.	Vast experience in field of marketing and good administrator.	Experience in the field of plastic processing and manufacturing.
List of Directorships of other Companies as at 31st March, 2019	<ol style="list-style-type: none"> 1) Fiberweb (India) Limited (Listed Company) 2) Stallion Breweries Limited 3) Chemical & Alkali Distributors Limited 4) Parijat Private Limited 5) Star Developers Private Limited 6) Sun Capital And Consultancy Private Limited 7) Sun Properties Private Limited 8) Bharat Capital and Holdings Limited 	N.A.	<ol style="list-style-type: none"> 1) AM Realty Private Limited, 2) AM Hygiene (International) Private Limited, 3) AM Entertainment And Broadcasting Private Limited 	N.A.
List of Membership/ Chairmanship of the Committees* of other Board as at 31st March, 2019	Membership in Audit Committee and Stakeholders' Relationship / Grievances Committee: - Fiberweb (India) Limited	N.A.	N.A.	N.A.
Shareholding in Kunststoffe Industries Limited	388622	0	0	0
Relationship between directors inter-se	No	No	No	No

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Terms and Conditions of appointment	As per Nomination and Remuneration Policy of the Company	As per Nomination and Remuneration Policy of the Company	As per Nomination and Remuneration Policy of the Company	As per Nomination and Remuneration Policy of the Company
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*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: 8th August, 2019

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 33rd Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2019. The summarized financial results are given below:

SUMMARISED FINANCIAL RESULTS:

(₹ In Lakhs)

	2018-19	2017-18
Sales & other receipts	1,210.57	1,068.76
Gross Profit/(Loss) before depreciations	151.34	111.81
Less : Depreciation	17.08	2.24
Profit(Loss) from regular Activities	56.70	17.72
Extraordinary items	0	0
Profit /(Loss)before taxation	56.70	17.72
Provision for tax	5.50	0
Profit /(Loss) after taxation	51.20	17.72
Add: Balance carried from earlier year	(1,222.55)	(3,840.27)
Balance carried forward to next year	(1,171.36)	(1,222.55)

OPERATIONS

During the current year gross receipts of the Company was ₹ 1210.57 lakhs against ₹ 1,068.76 lakhs of the previous year and Gross Profit margin increased and Gross Profit amounted to ₹ 151.34 lakhs (35.35% higher) to earlier year's 111.81 lakhs, depreciation amounted to ₹ 17.08 lakhs (against ₹ 2.24 lakhs in last year) and Net Profit increased to ₹ 51.20 lakhs as against ₹ 17.72 lakhs in last year.

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.

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.

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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, 2019.

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, 2019 and the date of this Directors' Report i.e. 8th August, 2019.

CORPORATE GOVERNANCE

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

Policy on Directors' Appointment

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

Policy on Remuneration

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

- 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

During the year Mr. S. C. Asnotkar (DIN: 01399862) Director of the Company resigned on 10th August, 2018, due to ill health and the Board noted the same.

Further Ms. Soniya P. Sheth (DIN: 02658794) has been proposed for reappointment as Managing Director for 5 years subject to approval of members in the ensuing Annual General Meeting and statement to that effect is annexed with notice.

Further Mr. Ujjawalkumar R. Jha (DIN: 06825669), Mr. Bhaskar T. Iyer (DIN: 01711750) and Mr. Sacariah Chacko (DIN: 06825623) have been proposed to be reappointed as an Independent Directors for second term of 5 years subject to approval of members in the ensuing Annual General Meeting and statement to that effect is annexed with notice.

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, 2019, 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, 2019 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 2018-19 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 2018-19 by the Company, were in its ordinary course of business and on arm's length basis FORM AOC- 2 is not applicable to the Company.

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

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

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT

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

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

VIGIL MECHANISM

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

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, 2019, the Net Profit of the Company is ₹51.20 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 2019 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, 2019, about 78.58% share holding representing 5414049 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 is 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

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the present Statutory Auditors of the Company, M/s. A. V. Jobanputra & Co., Chartered Accountants (Firm Registration No. 104314W), will hold office until the conclusion of the ensuing Annual General Meeting and will not seek re-appointment as his term of five years completed.

The Board of Directors at its meeting held on 8th August, 2019, after considering the recommendations of the Audit Committee, had recommended the appointment of M/s. Akshay Kirtikumar & Associates, Chartered Accountants (Firm Registration No.138182W), as the Statutory Auditors of the Company for approval of the members.

Subject to approval of members in the ensuing Annual General Meeting, M/s. Akshay Kirtikumar & Associates, Chartered Accountants (Firm Registration Number.138182W), will be appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 33rd Annual General Meeting (AGM) till the conclusion of the 38th Annual General Meeting (AGM), i.e., for the Financial Years from 2019-20 to 2023-24.

KUNSTSTOFFE INDUSTRIES LTD.

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. IND AS is Applicable from FY 2017-18.

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, 2019. The Secretarial Audit Report contains Qualifications, Reservation and explanations which are self explanatory.

The Secretarial Auditor has submitted its Report in Form No. MR-3 for the Financial Year ended 31st March, 2019 and the same is set out in "Annexure III, forming part of this Report.

GENERAL

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

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

U. R. Jha
Director

Place: Mumbai

Date: 8th August, 2019

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, 2019.

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: : 8th August, 2019

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 II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31/03/2019

[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 and contact details	: -	Kiran Building, 128, Bhaudaji Road, 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 Registrar and Transfer Agent, if any	: -	M/s. Sharex Dynamic (India) Pvt. Ltd. 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:
ASSOCIATE COMPANIES** As per Attachment B

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

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

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

VII. PENALTIES / PUNISHMENT /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 01/04/2018				No. of Share held at the end of the year 31/03/2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1511612	0	1511612	21.939	1505867	0	1505867	21.856	-0.083
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):-	2519700	0	2519700	36.57	2513955	0	2513955	36.487	-0.083
(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

KUNSTSTOFFE INDUSTRIES LTD.

Category of Shareholders	No. of Share held at the beginning of the year 01/04/2018				No. of Share held at the end of the year 31/03/2019				% 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)	2519700	0	2519700	36.57	2513955	0	2513955	36.487	-0.083
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	158440	158440	2.300	0	158440	158440	2.300	0
(b). Banks / FI	0	0	0	0	0	0	0	0	0
(c). Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	0	0	0	0	0	0	0	0
(e). Venture Capital	0	0	0	0	0	0	0	0	0
(f). Insurance	0	0	0	0	0	0	0	0	0
(g). FIs	0	59460	59460	0.863	0	59460	59460	0.863	0
(h). Foreign Venture	0	0	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	217900	217900	3.163	0	217900	217900	3.163	0
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	1163626	65900	1229526	17.845	1058240	65580	1123820	16.311	-1.534
(ii). Overseas	0	0	0	0	0	0	0	0	0
(b). Individual									
(i). Individual shareholders holding nominal share capital upto ₹ 1 lakh	708615	1031923	1740538	25.262	741468	946291	1687759	24.496	-0.766
(ii). Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	808531	110600	919131	13.34	1031446	70600	1102046	15.995	2.655
(c). Other (specify)									
Non Resident Indians	60238	182740	242978	3.527	64533	175580	240113	3.485	-0.042
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	20227	0	20227	0.294	4407	0	4407	0.064	-0.23
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):-	2761237	1391163	4152400	60.268	2900094	1258051	4158145	60.351	0.083
Total Public Shareholding (B)=(B)(1)+(B)(2)	2761237	1609063	4370300	63.431	2900094	1475951	4376045	63.513	0.083
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)	5280937	1609063	6890000	100	5414049	1475951	6890000	100	0

Attachment D

(ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018			Share holding at the end of the year 31/03/2019			% 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*	874766	12.696	0	1456266	21.136	0	8.44
2	Bharat Capital and Holdings Limited	1008088	14.631	0	1008088	14.631	0	0
3	Dhwani P. Sheth*	310180	4.502	0	180	0.003	0	-4.499
4	Unnati P. Sheth*	271872	3.946	0	372	0.005	0	-3.941
5	Hargovind Karsandas Vithalani	51994	0.755	0	46249	0.671	0	-0.084
6	Bhavesh P. Sheth	2800	0.041	0	2800	0.041	0	0
	Total	2519700	36.570	0	2513955	36.487	0	-0.084

* During the year there is Inter-se transfer among 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 01/04/2018			Shareholding at the end of the year 31/03/2019			
		No. of shares at the beginning (01/04/2018) / end of the year (31/03/2019)	% of total shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Share	% of total Shares of the company
1	Pravin V. Sheth	874766	12.696	01-04-2018				
				01-03-2019	581500	Inter-se transfer	1456266	21.136
	-Closing Balance			31-03-2019			1456266	21.136
2	Hargovind Karsandas Vithalani	51994	0.755	01-04-2018				
				15-06-2018	-4500	Sold	47494	0.689
				22-06-2018	500	Buy	47994	0.697
				29-06-2018	-500	Sold	47494	0.689
				31-08-2018	-800	Sold	46694	0.678
				26-10-2018	-145	Sold	46549	0.676
				02-11-2018	-300	Sold	46249	0.671
	-Closing Balance			31-03-2019			46249	0.671

KUNSTSTOFFE INDUSTRIES LTD.

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the year 31/03/2019			
		No. of shares at the beginning (01/04/2018) / end of the year (31/03/2019)	% of total shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Share	% of total Shares of the company
3	Unnati Pravin Sheth	271872	3.946	01-04-2018				
				01-03-2019	-271500	Inter-se transfer	372	0.005
	-Closing Balance			31-03-2019			372	0.005
4	Dhwani Pravin Sheth	310180	4.502	01-04-2018				
				01-03-2019	-310000	Inter-se transfer	180	0.003
	-Closing Balance			31-03-2019			180	0.003

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 (01/04/2018)	% 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 31/03/2019
1	Gayatri Pipes And Fittings Private Ltd.	650000	9.434	01-04-2018				
	-Closing Balance			31-03-2019		No Change	650000	9.434
2	Soniya Pravin Sheth	353642	5.133	01-04-2018				
				11-05-2018	18000	Buy	371642	5.394
				25-05-2018	6500	Buy	378142	5.488
				08-06-2018	6400	Buy	384542	5.581
				19-10-2018	480	Buy	385022	5.588
				07-12-2018	2000	Buy	387022	5.617
				04-01-2019	1600		388622	5.64
				31-03-2019			388622	5.64
3	Bharat Equity Services Ltd.	340410	4.936	01-04-2018				
				06-04-2018	-500	Sold	339590	4.929
				27-04-2018	-100	Sold	339490	4.927
	-Closing Balance			31-03-2018			339490	4.927
4	Sulochnadevi Anilkumar Agarwal.	121772	1.767	01-04-2018				
				13-04-2018	1000	Buy	122772	1.782
				20-04-2018	8014	Buy	130786	1.898
				04-05-2018	1869	Buy	132655	1.925
				11-05-2018	22731	Buy	155386	2.255
				08-06-2018	2335	Buy	157721	2.289

ANNUAL REPORT 2018-2019

Sl. No.	Name	Shareholding at the beginning (01/04/2018)	% 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 31/03/2019
				15-06-2018	8051	Buy	165772	2.406
				29-06-2018	5923	Buy	171695	2.492
				06-07-2018	2596	Buy	174291	2.53
				13-07-2018	585	Buy	174876	2.538
				20-07-2018	2355	Buy	177231	2.572
				30-11-2018	3032	Buy	180263	2.616
				21-12-2018	150	Buy	180413	2.618
				04-01-2019	200	Buy	180613	2.621
				11-01-2019	600	Buy	181213	2.63
				25-01-2019	400	Buy	181613	2.636
				01-02-2019	500	Buy	182113	2.643
				08-02-2019	1000	Buy	183113	2.658
				22-02-2019	700	Buy	183813	2.668
	-Closing Balance			31-03-2019			183813	2.668
5	SBI Cap Mkts Ltd A/C IMF NVM Fund	68480	0.994	01-04-2018				
	-Closing Balance			31-03-2019		No Change	68480	0.994
6	SBI Cap Mkts Ltd A/C IMF NVM Fund	60680	0.881	01-04-2018				
	-Closing Balance			31-03-2019		No Change	60680	0.881
7	Parle (Exports) Limited	53160	0.772	01-04-2018				
	-Closing Balance			31-03-2019		No Change	53160	0.772
8	PunamPatni	50190	0.728	01-04-2018				
	-Closing Balance			31-03-2019		No Change	50190	0.728
9	Abishek Anilkumar Agarwal	5215	0.076	01-04-2018				
				06-04-2018	2474	Buy	7689	0.112
				13-04-2018	7875	Buy	15564	0.226
				27-04-2018	6000	Buy	21564	0.313
				25-05-2018	11649	Buy	33213	0.482
				08-06-2018	3312	Buy	36525	0.53
				29-06-2018	3559	Buy	40084	0.582
	-Closing Balance			31-03-2019			40084	0.582
10	YashSubhash Chand Kanodia	20395	0.296	01-04-2018				
				05-10-2018	2754	Buy	23149	0.336
				28-12-2018	13292	Buy	36441	0.529
				31-03-2019			36441	0.529
11	Anjanaben Kiritkumar Thakkar	33834	0.491	01-04-2018				
	-Closing Balance			31-03-2019		No Change	33834	0.491

KUNSTSTOFFE INDUSTRIES LTD.

Sl. No.	Name	Shareholding at the beginning (01/04/2018)	% 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 31/03/2019
12	Globe Capital market Limited	102221	1.484	01-04-2018				
				13-04-2018	-17221	Sold	85000	1.234
				20-04-2018	-8000	Sold	77000	1.118
				27-04-2018	-4000	Sold	73000	1.06
				04-05-2018	-25000	Sold	48000	0.697
				11-05-2018	-28000	Sold	20000	0.29
				18-05-2018	-10000	Sold	10000	0.145
				25-05-2018	-3152	Sold	6848	0.099
				30-09-2018	-6848	Sold	0	0

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 01/04/2018		Date wise Increase/ Decrease in Shareholding during the year		Cumulative Shareholding during the year		Shareholding at the beginning of the year 31/03/2018	
		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 Pravin Sheth	353642	5.133	34980	0.507	388622	5.640	388622	5.640
2	Shivanand C. Asnotkar*	600	0.009	0	0.000	0	0.000	0	0.000
3	Unnati P. Sheth#	271872	3.946	-271500	-3.941	372	0.005	372	0.005

* Mr. S. C. Asnotkar resigned as Director w. e. f. 10th August, 2018.

During the year Inter-se transfer among Promoters.

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:

SI. 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	24,58,333.00	24,58,,333.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,24,482.00	4,24,482.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others, specify. . .	-	-
5.	Others, please specify	-	-
	Total (A)	28,82,815.00	28,82,815.00
	Ceiling as per the Act	# Not workable due to Loss / Inadequate Profit	

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

KUNSTSTOFFE INDUSTRIES LTD.

Attachment J

C. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		S. C. Asnotkar	Bhaskar T. Iyer	S. Chacko	U. R. Jha	Rajender Sharma	
1.	Independent Directors						
	• Fee for attending board / committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify (Conveyance)	1000	2000	3000	4000	4000	14000
	Total (1)	1000	2000	3000	4000	4000	14000
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify (Conveyance)	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	1000	2000	3000	4000	4000	14000
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	# Not workable due to Loss / Inadequate Profit					

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 (Appointed as on 01/08/2017)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	202,000.00	4,87,000.00	689,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	36,600.00	64,284.00	1,00,884.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify. . .	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	2,38,600.00	5,51,284.00	7,89,884.00

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					

KUNSTSTOFFE INDUSTRIES LTD.

Annexure III

FORM NO. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

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

To,

The Members,

KUNSTSTOFFE INDUSTRIES LTD

Kiran Building, 128, Bhaudaji Road,

Matunga (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 Ltd.** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company 's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Kunststoffe Industries Ltd.** for the financial year ended on 31st March, 2019 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (vi) Other laws specifically applicable to the Company, namely;
1. Factories Act, 1948
 2. Industrial Disputes Act, 1947
 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:

Form C under Regulations 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015, is not filed by one of the Promoters Mr. Hargovindas Vithalani.

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.

During the year there is 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.

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

Date: 08/08/2019

Place: Mumbai

M/S. K. PRATIK & ASSOCIATE

Practising Company Secretary

COP No.: 12368

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

Date: 08/08/2019
Place: Mumbai

M/S. K. PRATIK & ASSOCIATE
Practising Company Secretary
COP No.: 12368

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 2018-19 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

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, 2019 was 25 Nos. as against 10 Nos. on 31st March, 2018.

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)

	2018-19	2017-18
Sales & other receipts	1,210.57	1068.76
Gross Profit/(Loss) before depreciations	151.34	111.81
Less : Depreciation	17.08	2.24
Profit(Loss) from regular Activities	56.70	17.72
Extraordinary items	0	0
Profit /(Loss)before taxation	56.70	17.72
Provision for tax	5.50	0
Profit /(Loss) after taxation	51.20	17.72
Earnings Per Share	0.74	0.26

During the year the sales turnover of the Company was ₹ 1210.57 lakhs against ₹ 1068.76 lakhs the sales of the previous year. Due to paucity of working capital facilities from Banks as Company was under rehabilitation process by BIFR, the company is doing only job-work.

CAUTIONARY STATEMENT:

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

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

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

On behalf of the Board

Soniya P. Sheth
Managing Director

Place: Mumbai

Date: 8th August, 2019

Registered Office:

Kiran Building, 128,

Bhauddaji 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	388622	3	2	0
Mr. Bhaskar T. Iyer	0171175	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

* Mr. S. C. Asnotkar, Director of the Company resigned on 10th August, 2018, due to ill health and the Board noted the same.

* 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.

KUNSTSTOFFE INDUSTRIES LTD.

Directors' Profile:

Ms. Soniya P. Sheth (DIN: 02658794) Age: 34 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) Stallion Breweries Ltd. (2) Chemical & Alkali Distributors Ltd. (3) Fiberweb (India) Ltd. (4) Parijat Private Ltd. (5) Star Developers Pvt. Ltd. (6) Sun Capital and Consultancy Pvt. Ltd. (7) Sun Properties Pvt. Ltd. (8) Bharat Capital and Holdings Ltd. No. of shares in Kunststoffe Industries Limited -388622.

Mr. S. Chacko, Age: 64 years, Qualification: B.Com. Mech. Engineer. Nature of expertise: He is Mechanical Engineer and has about 28 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: 53 years, Qualification :B.Com. ICWA(Inter) Nature of expertise: He has 23 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: 55 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: 65 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, 2019, these were held on :-
(1) 29th May, 2018 (2) 10th August, 2018 (3) 30th October, 2018 (4) 31st January, 2019
- (ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31st March, 2019 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 29/09/2018
Ms. Soniya P. Sheth	4	4	Yes
Mr. S. C. Asnotkar*	2	2	No
Mr. Bhaskar T. Iyer	4	2	Yes
Mr. S. Chacko	4	3	Yes
Mr. Ujjwalkumar R. Jha	4	4	Yes
Mr. Rajender Sharma	4	4	Yes

* During the year Mr. S. C. Asnotkar, Director of the Company resigned on 10th August, 2018, due to ill health and the Board noted the same.

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 re-constituted Audit Committee as Mr. S. C. Asnotkar resigned from the Directorship on 10th August, 2018. 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 2018-19. Five Audit Committee Meetings were held on 28th May, 2018, 8th August, 2018, 29th October, 2018, 30th January, 2019 and 4th March, 2019:

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	5	5
Mr. S.C. Asnotkar* Non-Executive & Independent Director	Member	2	2
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	5	5
Mr. Rajender J. Sharma* Non-Executive & Independent Director	Member	3	3

*Mr. S. C. Asnotkar (DIN: 01399862) has resigned as Director of the Company as well as member of Committees with effect from 10/08/2018 and Mr. Rajender J. Sharma (DIN: 07241852) has been appointed as member of Audit Committee.

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 32nd Annual General Meeting of the Company held on 24th September, 2018.

KUNSTSTOFFE INDUSTRIES LTD.

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;
 - (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 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 re-constituted Nomination and Remuneration Committee as Mr. S. C. Asnotkar resigned from the Directorship on 10th August, 2018. The committee comprises of Mr. U. R. Jha Chairman, Mr. Bhaskar T. Iyer and Mr. Rajender J. Sharma. During the financial year 2018-19 Four Committee Meetings were held on 28th May, 2018, 8th August, 2018, 29th October, 2018 and 30th January, 2019.

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. S.C. Asnotkar* Non-Executive & Independent Director	Member	2	2
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	4	4
Mr. Rajender J. Sharma* Non-Executive &Independent Director	Member	2	2

*Mr. S. C. Asnotkar (DIN: 01399862) has resigned as Director of the Company as well as member of Committees with effect from 10/08/2018 and Mr. Rajender J. Sharma (DIN: 07241852) has been appointed as member of Nomination and Remuneration Committee.

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.

KUNSTSTOFFE INDUSTRIES LTD.

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, 2019 (01-04-2018 to 31-03-2019) is as follows:

Name	Position held During the year	Salary & Allowances	Perquisites	Total Remuneration
Ms. Soniya P. Sheth	Managing Director	₹ 24,58,333/-	₹ 4,24,482/-	₹ 28,82,815/-

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.

Board Procedures

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

Stakeholders Relationship / Grievance Committee

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

The Committee has been re-constituted by the Board as Mr. S. C. Asnotkar resigned from Directorship on 10th August, 2018. 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 and Ms. Padmini Ravindran, Company Secretary, is the Compliance Officer as.

During the year the Company had received 20 (Twenty) 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 29 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	29	29
Mr. S.C. Asnotkar* Non-Executive & Independent Director	Member	8	8
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	29	29
Mr. Rajender J. Sharma* Non-Executive & Independent Director	Member	21	21

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*Mr. S. C. Asnotkar (DIN: 01399862) has resigned as Director of the Company as well as member of Committees with effect from 10/08/2018 and Mr. Rajender J. Sharma (DIN: 07241852) has been appointed as member of Stakeholders Relationship Committee.

Status of Shareholders'/Investors' Complaints for the period 01/04/2018 to 31/03/2019

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)	0	0	0
Non-Receipts in issue of Duplicate Shares	1	0	1
Non-Receipt of Shares/ Dividends/ Rights/ Bonus Shares.	19	19	0
Total	20	19	1

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 re-constituted Corporate Social Responsibility Committee as Mr. S. C. Asnotkar resigned from Directorship on 10th August, 2018.

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 2018-19 Four Corporate Social Responsibility Committee Meetings were held on 28th May, 2018, 8th August, 2018, 29th October, 2018 and 30th January, 2019.

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, 2018, the Net Profit of the Company was ₹ 17.72 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. S. C. Asnotkar* Non-Executive & Independent Director	Member	2	2
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	4	4
Mr. Rajender J. Sharma* Non-Executive& Independent Director	Member	2	2

*Mr. S. C. Asnotkar (DIN: 01399862) has resigned as Director of the Company as well as member of Committees with effect from 10/08/2018 and Mr. Rajender J. Sharma (DIN: 07241852) has been appointed as member of Corporate Social Responsibility Committee.

KUNSTSTOFFE INDUSTRIES LTD.

Sexual Harassment Committee:

(a) Constitution

The Board has re-constituted the Sexual Harassment Committee as Mr. S. C. Asnotkar resigned from Directorship on 10th August, 2018.

(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 2018-19 Four Sexual Harassment Committee Meetings were held on 28th May, 2018, 8th August, 2018, 29th October, 2018 and 30th January, 2019.

(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
Mr. S. C. Asnotkar* Non-Executive & Independent Director	Member	2	2
Ms. Unnati P. Sheth Member	Member	4	4
Mr. Rajender J. Sharma* Non-Executive & Independent Director	Member	2	2

*Mr. S. C. Asnotkar (DIN: 01399862) has resigned as Director of the Company as well as member of Committees with effect from 10/08/2018 and Mr. Rajender J. Sharma (DIN: 07241852) has been appointed as member of Sexual Harassment Committee.

Risk Management Committee:

The Board has re-constituted Risk Management Committee as Mr. S. C. Asnotkar resigned from Directorship on 10th August, 2018. The committee comprises of Mr. U. R. Jha Chairman, Mr. Bhaskar T. Iyer and Mr. Rajender J. Sharma:

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. S. C. Asnotkar* Non-Executive & Independent Director	Member	2	2
Mr. Bhaskar T. Iyer Non-Executive & Independent Director	Member	4	4
Mr. Rajender J. Sharma* Non-Executive & Independent Director	Member	2	2

*Mr. S. C. Asnotkar (DIN: 01399862) has resigned as Director of the Company as well as member of Committees with effect from 10/08/2018 and Mr. Rajender J. Sharma (DIN: 07241852) has been appointed as member of Risk Management Committee.

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 2018-19 Four Committee Meetings were held on 28th May, 2018, 8th August, 2018, 29th October, 2018 and 30th January, 2019.

The Role of Risk Management Committee is as under:

- a) 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;
- b) To develop and implement action plans or mitigate the risks;
- c) 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;
- d) To review on a half-yearly basis the Company's performance against the identified risks of the Company;
- e) 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;
- f) To regularly review the risk management framework for the operations of the Company that are deemed necessary; and
- g) 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
30th	Thursday	29-09-2016	10.00 a.m.	Kiran Bldg, 128 Bhaudaji Road, Matunga (E) Mumbai-400 0019.
31st	Friday	29-09-2017	10.00 a.m.	The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai- 400 019.
32nd	Monday	24-09-2018	9.00 a.m.	The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai- 400 019.

- In the 30th Annual General Meeting held on 29/09/2016, no special resolution has been passed.
- 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.
- 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.

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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 2017-18
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
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

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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

KUNSTSTOFFE INDUSTRIES LTD.

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 Note 3 to the Financial Statements for disclosure of related parties.
- The Company has formulated policy on dealing with related party transactions. This policy has been hosted on the Company's websites at www.kunststoffeindia.com

Any Non-compliance, Penalties or Strictures Imposed

- The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/stricture was imposed on the Company during the last three years.
- Policy on determination of materially of event or information: In accordance with the requirement of the Listing Regulations, the Company has formulated a policy on determination of materially 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 33rd AGM	:	Tuesday, 24th September, 2019 at 11.00 A.M. At The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai– 400 019.
Financial Year	:	1st April to 31st March
Financial Calendar		
Financial reporting for the quarter ending 30th June, 2019	:	On or before 14th August 2019
Financial reporting for the quarter ending 30th September, 2019	:	On or before 14th November 2019
Financial reporting for the quarter ending 31st December, 2019	:	On or before 14th February 2020
Financial reporting for the quarter ending 31st March, 2020	:	On or before 30th May, 2020
Dates of Book Closure (Both days inclusive)	:	17/09/ 2019 to 24/09/2019
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	:	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
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KUNSTSTOFFE INDUSTRIES LTD.

Stock Data:

High and Low prices at BSE

Month	High (₹)	Low (₹)
April 2018	134.00	113.00
May 2018	121.00	94.00
June 2018	100.50	62.60
July 2018	90.85	69.15
August 2018	75.30	64.00
September 2018	66.95	50.55
October 2018	53.85	41.70
November 2018	49.90	42.60
December 2018	49.60	36.00
January 2019	44.50	30.00
February 2019	38.20	30.65
March 2019	38.70	31.50

Source: www.bseindia.com

Distribution of Shareholding as on 31st March, 2018:

Category of Shareholder	Number of Shareholders	Percentage of (A+B+C)	Total Number of shares held
(A) Shareholding of Promoters & Promoter Group			
(1) Indian	6	36.49	2513955
(2) Foreign	0	0.00	0
Total shareholding of Promoter & Promoter Group	6	36.49	2513955
(B) Public Shareholding			
(1) Institutions	5	2.30	158440
(2) Non - Institutions.	13474	61.21	4217605
Total Public Shareholding	13479	63.51	4376045
(C) Shares held by custodians	0	0.00	0
Total (A)+(B)+(C)	13485	100.00	6890000

Distribution of Shareholding as on 31st March, 2019:

No. of Equity Shares	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
1 -100	9805	72.710	518489	7.525
101-200	2269	16.826	357335	5.186
201-500	934	6.926	301957	4.383
501-1000	229	1.698	165838	2.407
1001-5000	171	1.268	356293	5.171
5001-10000	36	0.267	274909	3.990
10001-100000	35	0.260	888900	12.901
100001- and above	6	0.044	4026279	58.437
Total	13485	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, 2019 about 78.58% share holding representing 5414049 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

KUNSTSTOFFE INDUSTRIES LTD.

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, 2019.

Place: Mumbai
Date: 8th August, 2019

Soniya P. Sheth
(Managing Director)

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, 2019 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 A. V. Jobanputra & Co.
Chartered Accountants

A. V. Jobanputra
Proprietor
Membership No: 016352

Place: Mumbai
Date: 8th August, 2019

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, 2019 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, 2019 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. significant 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

Place: Mumbai

Date: 8th August, 2019

KUNSTSTOFFE INDUSTRIES LTD.

INDEPENDENT AUDITOR'S REPORT

To

The Members

KUNSTSTOFFE INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of KUNSTSTOFFE INDUSTRIES LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'The Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, and **subject to Notes**, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the 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 (financial position) of the Company as at 31st March, 2019, and its profit (financial performance including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act and other applicable authoritative pronouncements issued by the institute of Chartered Accountants of India. 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 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.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, 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 and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Key Audit Matter	How our Audit addressed the Key Audit Matter
Carrying Value of Property Plant & Equipment:- The carrying value of Property, Plant & Equipment (Total) as at 31.03.2019 was ₹ 516.80 lakhs including Plant & Machinery value is ₹ 177.67 lakhs and the related depreciation charge for the year was ₹ 17.08 lakhs, as per w/off of residual value.	Assessing the reasonableness of the management's assertions and estimates regarding estimated useful lives and residual values based on historical experience and Govt. approved Valuer's Report. Discussing indicators of possible impairment with the management. Analyzing the assumptions and critical judgements based on historical data.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in sub-section 5 of section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flow and the Statement of Changes in Equity 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, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Independent Internal Auditor has been appointed by the Company to do the Internal Audit and report thereon.
8. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial statements

10. 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. 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 risk 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 explaining our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.

KUNSTSTOFFE INDUSTRIES LTD.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of 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 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.
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these audit 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:

15. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its Directors during the year in accordance with the provisions and limits laid down under Section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('The Order') issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
17. Further to our comments in Annexure A, as required by sub section 3 of Section 143 of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement dealt and the statement of changes in equity with by this Report, are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
 - f) We have also, audited the internal financial control over financial reporting (IFCoFR) of the Company as on 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion; and

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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:-
- (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

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

Place:- Mumbai
Date:- 08/08/2019
UDIN NO.: 19016352AAAAABR6250

KUNSTSTOFFE INDUSTRIES LTD.

Annexure A

The Annexure A referred to in Para 1 – Report on Other Legal Regulatory Requirements of our Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31 March, 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company;
- ii) In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us, no material discrepancies were noticed on physical verification;
- iii) According to the information and explanations given to us, the company has not granted any secured or unsecured loans to Companies, Firms or other parties, covered in the register maintained under section 189 of the companies Act 2013;
- iv) The Company has not given loans, or made investments, or given guarantees and provided security in terms of provisions of section 185 and 186 of The Companies Act, 2013;
- v) The Company has not accepted deposits and hence the directive issued by the Reserve Bank of India and the provisions of the sections 73 to 76 of the Act and the Companies (acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company;
- vi) We have been informed that the Company is not required to maintain cost record under sub-section (1) of section 148 of the Companies Act,2013.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee’s state insurance, income tax, sales tax, custom Duty, service tax, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities and no undisputed amounts payable were in arrears as at 31 March, 2019 for a period of more than six months from the date they became payable
- (b) According to the information and explanations given to us, there are no disputed amounts of income tax, sales tax, custom duty, service tax or value added tax which have not been deposited with the concerned authorities;
- viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to a bank. The Company has not obtained any borrowing from any financial institutions, Government or by way of debentures;
- ix) On the basis of records examined by us and the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer during the year;
- x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- xi) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the Company has paid managerial remuneration as per Section 197 read with Schedule V to the Companies Act, 2013;
- xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly paragraph 3(xii) is not applicable;
- xiii) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and

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188 of the Act, where applicable and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards;

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

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

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

Place:- Mumbai
Date:- 08/08/2019
UDIN NO.: 19016352AAAAABR6250

KUNSTSTOFFE INDUSTRIES LTD.

Annexure B

The Annexure B referred to in Para 2(f) - Report on other Regulatory requirements of our Independent Auditor's Report to the Members of the Company on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the act") for the year ended 31st March, 2019

We have audited the internal financial controls over financial reporting of KUNSTSTOFFE INDUSTRIES LIMITED ("the company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place:- Mumbai
Date:- 08/08/2019
UDIN NO.: 19016352AAAABR6250

KUNSTSTOFFE INDUSTRIES LTD.

Balance Sheet as at 31 March, 2019

Particulars	Note No.	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
ASSETS			
Non-current assets			
Property Plant and Equipment	1	51,680,039	51,797,613
Financial Assets			
Loans & Advances		-	-
Total Non-Current Assets		51,680,039	51,797,613
Current assets			
Inventories	2	13,392,774	12,417,170
Financial Assets			
Trade Receivables	3	12,370,728	12,255,832
Cash and Cash Equivalents	4	18,301,686	5,168,729
Loans	5	5,096,030	15,465,756
Other Current Assets	6	1,319,373	68,400
Total Current Assets		50,480,591	45,375,887
TOTAL ASSETS		102,160,630	97,173,500
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	7	68,900,000	68,900,000
Other Equity	8	7,782,551	2,662,978
Total Equity		76,682,551	71,562,978
Current liabilities			
Financial Liabilities			
Trade Payable	9	18,351,707	22,652,618
Provisions	10	1,145,937	373,199
Other Current Liabilities	11	5,980,435	2,584,705
Total Liabilities		25,478,079	25,610,522
TOTAL EQUITY & LIABILITIES		102,160,630	97,173,500

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

As per our report of even date

For and on behalf of the Board of Directors

For A.V.Jobanputra & Co.

Chartered Accountants

Firm Registration No: 104314W

Unnati P. Sheth

Chief Finance Officer

Soniya P. Sheth

Managing Director

A.V.Jobanputra

Proprietor

Membership No. 016352

Padmini Ravindran

Company Secretary

S. Chacko

Director

U. K. Jha

Director

Place : Mumbai

Date : 08.08.2019

Place : Mumbai

Date : 08.08.2019

Statement of Profit and Loss for the year ended 31 March, 2019

Particulars	Note No.	For the year ended 31 March, 2019 ₹	For the year ended 31 March, 2018 ₹
INCOME			
Value of Sales	12	119,781,309	105,374,546
Revenue from Operations			
Other Income	13	1,275,734	1,501,114
Total Income (1+2)		121,057,043	106,875,660
EXPENSES			
Cost of Materials Consumed	14	83,874,866	79,420,551
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	15	(1,870,004)	(871,541)
Manufacturing Expenses-Power & Fuel	16	13,896,654	11,325,131
Employee Benefits Expense	17	10,021,027	6,575,166
Depreciation/Amortisation and Depletion expense	1	1,707,586	223,855
Selling & Distribution Expense	18	1,436,914	1,746,296
Other expenses	19	6,320,260	6,684,512
Total expenses		115,387,303	105,103,970
Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		5,669,740	1,771,690
Profit / (Loss) before tax (7 + 8)		5,669,740	1,771,690
Tax expense:			
Current tax expense	20	550,168	-
Deferred tax		-	-
Profit / (Loss) after tax for the Year (9 - 10)		5,119,572	1,771,690
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income		5,119,572	1,771,690
Earning per equity share of nominal value of ₹10/- each	20		
Basic and Diluted (Before extraordinary item)		0.74	0.26
Basic and Diluted (After extraordinary item)		0.74	0.26

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

As per our report of even date

For and on behalf of the Board of Directors

For A.V.Jobanputra & Co.

Chartered Accountants

Firm Registration No: 104314W

Unnati P. Sheth

Chief Finance Officer

Soniya P. Sheth

Managing Director

A.V.Jobanputra

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Padmini Ravindran

Company Secretary

S. Chacko

Director

U. K. Jha

Director

Place : Mumbai

Date : 08.08.2019

Place : Mumbai

Date : 08.08.2019

KUNSTSTOFFE INDUSTRIES LTD.

Cash Flow Statement for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		5,669,740		1,771,690
Adjustments for:				
Depreciation and amortisation	1,707,586		223,855	
Rental Income From Properties	(1,200,000)		(1,440,000)	
Provision for Income Tax	550,168		-	
Interest income	(75,734)	982,020	(61,114)	(1,277,259)
Operating profit / (loss) before working capital changes		6,651,760		494,431
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(975,604)		(12,417,170)	
Trade receivables	(114,896)		2,116,860	
Short-term loans and advances	10,369,726		(1,258,021)	
Long-term loans and advances	-		(9,173,721)	
Other current assets	(1,250,973)	8,028,253	(14,400)	(20,746,452)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(4,300,911)		20,881,443	
Other current liabilities	3,395,730		2,518,305	
Short-term provisions	222,570	(682,611)	246,725	23,646,473
Cash Generated form Operations		13,997,402		3,394,452
Interest Paid		-		-
Cash Before Extraordinary Items		13,997,402		3,394,452
Cash flow from extraordinary items		-		-
Cash generated from operations		13,997,402		3,394,452
Net income tax (paid) / refunds		(550,168)		-
Net cash flow from / (used in) operating activities (A)		13,447,234		3,394,452
B. Cash flow from investing activities				
Purchase of Fixed Assets	(1,590,012)		(6,473,845)	
Receivables from scrap of fixed assets (incl. Ter. Dep.)	-	(1,590,012)	4,300,000	(2,173,845)
Loans realised				
- Others		-		-
Interest received				
- Others		75,734		61,114
Other non-operating income comprises:				
Rental income from investment properties	1,200,000		1,440,000	
Commission Received	-	1,200,000	-	1,440,000
Net cash flow from / (used in) investing activities (B)		(314,278)		(672,731)

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Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Share application money received / (refunded)		-		-
Repayment of amount borrowed		-		-
Capital Reduction Expenses		-		-
Finance cost		-		-
Net cash flow from / (used in) financing activities (C)		-		-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		13,132,957		2,721,721
Cash and cash equivalents at the beginning of the year		5,168,729		2,447,008
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		18,301,686		5,168,729

As per our report of even date

For and on behalf of the Board of Directors

For A.V.Jobanputra & Co.

Chartered Accountants

Firm Registration No: 104314W

Unnati P. Sheth

Chief Finance Officer

Soniya P. Sheth

Managing Director

A.V.Jobanputra

Proprietor

Membership No. 016352

Padmini Ravindran

Company Secretary

S. Chacko

Director

U. K. Jha

Director

Place : Mumbai

Date : 08.08.2019

Place : Mumbai

Date : 08.08.2019

KUNSTSTOFFE INDUSTRIES LTD.

Statement of Changes in Equity For the year ended 31 March, 2019

A. Equity Share Capital

Particulars	Balance at the beginning of the reporting period i.e. 1st April, 2017	Change in Equity Share Capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018	Change in Equity Share Capital during the year 2018-19	Balance at the end of the reporting period i.e. 31st March, 2019
Equity Share Capital	68,900,000	-	68,900,000	-	68,900,000

B. Other Equity

Particulars	Balance at the beginning of the reporting period i.e. 1st April, 2017	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. 31st March, 2018
As at 31st March, 2018					
Reserves and Surplus					
Securities Premium Reserve	19,750,000				19,750,000
Capital Reduction Reserve	70,508,254				70,508,254
Revaluation Reserve	76,665,507		(49,078,348)		27,587,159
General Reserve	267,072,939		(260,000,000)		7,072,939
Retained Earnings	(384,027,065)	1,771,690	260,000,000		(122,255,375)
	49,969,635	1,771,690	(49,078,348)	-	2,662,977

Particulars	Balance at the beginning of the reporting period i.e. 1st April, 2018	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. 31st March, 2019
As at 31st March, 2019					
Reserves and Surplus					
Securities Premium Reserve	19,750,000				19,750,000
Capital Reduction Reserve	70,508,254				70,508,254
Revaluation Reserve	27,587,159				27,587,159
General Reserve	7,072,939				7,072,939
Retained Earnings	(122,255,375)	5,119,573			(117,135,802)
	2,662,977	5,119,573	-	-	7,782,550

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019**NOTE 'A' : CORPORATE INFORMATION**

Kunststoffe Industries Limited is a listed public limited Company, incorporated under The Companies Act, 1956. The Company has resumed the business of “manufacturing of HDPE/PP Pipes, etc.”

NOTE 'B' : SIGNIFICANT ACCOUNTING POLICIES**I. Basis of preparation of financial statements**

- a. The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting in accordance with the accounting principles generally accepted in India and are in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 2013.
- b. The Financial Statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.
Company's Financial Statements are presented in Indian Rupees (₹) which is also its functional currency.
- c. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.
- d. With effect from 1st April, 2018, Ind AS 115 – “Revenue from Contracts with Customers” (Ind AS 115) supersedes Ind AS 18 – “Revenue” and related Appendices. The Company has adopted Ind AS 115. The application of Ind AS 115 did not have any material impact on recognition and measurement principles

II. Use of estimates.

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

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

III. Revenue recognition

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

A. Revenue from sale

In case of Sales of Goods – When the property and all significant risk and rewards of ownership are transferred to the buyer or no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. It excludes amounts recovered towards Sales Tax and includes amount received towards processing activities done for other, if any.

B. Interest and dividend:

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

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

C. Others:

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

IV. Property, Plant and Equipment and depreciation / amortisation

- a. Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

KUNSTSTOFFE INDUSTRIES LTD.

- b. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.
- c. Depreciation is provided on the straight line method on the basis of useful life of the asset in the manner specified on schedule II to the Companies Act 2013. Depreciation on the additions to assets or on sale/Disposal of assets is calculated pro rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.
- d. Fixed Assets are shown at Original cost of acquisition less accumulated depreciation.

V. 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.

VI. Operating Cycle

Receivables and Payables in relation to operations are considered as "Current Assets" and "Current Liabilities" as the case may be considering the nature of business of the Company. All other Assets and Liabilities have been classified as provided in Schedule III to the Companies Act, 2013.

VII. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

VIII. Investments

Investments are classified into Current and Non Current Investments . Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize decline, other than temporary, in the value of long term investments. The Company has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

IX. Employee benefits

- A. Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered;
- B. Post Employment Benefits
Defined contribution plans: Company's contribution to State governed Provident Fund Scheme is recognized during the year in which the related service is rendered;
- C. The company has not ascertained liability towards payment of gratuity and hence no provision has been made in accounts. It is accounted for on the basis of payment.
- D. Benefits payable to employees during their tenure of employment viz. Bonus, Leave Encashment etc are accounted on cash basis. Retirement benefits are accounted as and when the same become due for payment.

X. Foreign currency transactions

- A. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.
- B. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date, are translated in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the statement of profit and loss, except to the the extent foreign exchange rate differences which are directly attributable to the acquisition or construction of qualifying assets are capitalized as cost of assets.
- C. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.
- D. Import and export of goods in foreign currency are accounted at exchange rates prevailing on the date of payment, whichever made.

XI. Segment reporting

The Company is engaged in the business of Polymer Processing and manufacturing of Spun bond non woven fabrics, which as per Ind AS 108 'Segment Reporting' is considered to be the only reportable business segment. The Company is also operating within the same geographical segment. Hence, disclosures under Ind AS - 108 are not applicable.

XII. Impairment of assets

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

XIII. Treatment of Contingent Liabilities & Contingent Assets

The Company creates a provision when there is present obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent gains are not recognized in the accounts.

XIV. Income Tax

The Income Tax expense for the period is the tax payable on the current period's taxable income based on the applicable tax rate. Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

NOTE 'C': OTHER NOTES ON ACCOUNTS

- I. Debtors and Creditors balances are subject to confirmations from the parties.
- II. 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.
- III. Figures of the previous year have been re-grouped / rearranged /reclassified wherever necessary.

KUNSTSTOFFE INDUSTRIES LTD.

Notes-1 Property, Plant and Equipment

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block		
	Balance as at 1 April, 2018	Additions	Reduction in Revaluation Reserve	Other adjustments	Balance as at 31 March, 2019	Balance as at 1 April, 2018	Depreciation expense for the year	Eliminated on disposal of assets	Other Adjustments	Balance as at 31 March, 2019	Balance as at 31 March, 2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Freehold Land	24,000,000	-	-	-	24,000,000	-	-	-	-	24,000,000	24,000,000
(b) Buildings	13,140,784	121,400	-	-	13,262,184	4,370,436	137,648	-	4,508,084	8,754,100	8,859,622
(c) Plant and Equipment	167,172,625	692,000	-	-	167,864,625	148,630,805	1,466,658	-	150,097,463	17,767,162	65,820,798
(d) Furniture and Fixtures	618,535	14,611	-	-	633,146	185,371	57,302	-	242,673	390,473	209,598
(e) Office equipment	434,118	-	-	-	434,118	434,118	-	-	434,118	-	-
(f) Computer	303,614	-	-	-	303,614	251,332	26,141	-	277,473	26,141	35,953
(g) Electrical Installation	-	762,000	-	-	762,000	-	19,837	-	19,837	742,163	-
Total	205,669,676	1,590,011	-	-	207,259,687	153,872,062	1,707,586	-	155,579,648	51,680,039	98,925,971
Previous Year	252,574,179	6,473,845	31,500,700	21,877,648	205,669,676	153,648,208	223,855	-	153,872,062	51,797,614	107,006,613

Note 2: Inventories

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Raw Materials at the end of the year	10,651,229	11,545,629
Finished Goods at the end of the year	2,741,545	871,541
Total	13,392,774	12,417,170

Note 3 : Trade receivables (Current Financial Assets)

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Trade receivables (Unsecured, considered good)		
Outstanding for a period NOT exceeding six months from the date they were due for payment	12,370,728	12,255,832
Total	12,370,728	12,255,832

Note 4: Cash and Cash Equivalents

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
(a) Cash on hand	215,716	73,169
- Daman	176,070	71,497
- Mumbai	39,646	1,672
In current accounts	18,085,970	4,945,560
- Bank of Baroda Vapi	5,038	5,038
- Bank of Baroda Mumbai-0580200000478	486,961	86,494
- Goa Bank, Daman 00251010000280	8,477	8,477
SBI Daman - 10246331861	17,585,495	4,845,551
Margin Money	-	150,000
Total	18,301,686	5,168,729

KUNSTSTOFFE INDUSTRIES LTD.

Note 5: Loans

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
<u>Unsecured, considered good</u>		
(a) Prepaid expenses	-	-
To other parties	-	4,463,314
(b) Balances with government authorities		
(i) CENVAT credit	-	-
(ii) Service Tax credit	-	-
(iii) VAT Refundable	3,156	-
Deposit with Tran 1		
(c) Security Deposit - Others	163,000	163,000
<u>(Secured, considered good)</u>		
(a) <u>Advances</u>		
To related parties (Refer footnote to Note 4)	5,000	5,000
<u>(Unsecured, considered good)</u>		
(a) <u>Advances</u>		
To other parties/ Intt rec	105,368	-
Scrap Value Receivable	1,550,000	1,550,000
(b) <u>Prepaid Expenses</u>	1,021,221	14,628
(c) <u>Other loans and advances</u>		
Employees	12,000	18,000
(d) <u>Balances with government authorities</u>		
Advance Tax	1,300,000	
Balances with GST	401,768	7,979,581
Deposit with VAT	237,764	345,376
A.Y. 2017-18	2,008	754,031
A.Y. 2018-19	172,826	172,826
TDS - A.Y. 2019-20	121,919	-
Total	5,096,030	15,465,756

Note 6: Other Current Assets

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
(a) Others		
Rent Receivable	1,319,373	68,400
Total	1,319,373	68,400

Note 7: Equity Share capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹10/- each with voting rights	15,000,000	150,000,000	15,000,000	150,000,000
(b) Issued, Subscribed and fully paid up Equity shares of ₹10/- each with voting rights	6,890,000	68,900,000	6,890,000	68,900,000
Total	6,890,000	68,900,000	6,890,000	68,900,000

Footnotes:

(i) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year	As at 31 March, 2019	As at 31 March, 2018
	Nos.	Nos.
Number of shares at the beginning of the year	6,890,000	6,890,000
<u>Add/(Less):</u>		
Issued during the year	-	-
Capital Reduction during the year	-	-
Buyback during the year	-	-
Number of shares at the end of the year	6,890,000	6,890,000

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

Class of shares / Name of shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Nos.	% holding	Nos.	% holding
<u>Equity shares with voting rights</u>				
Pravin V Sheth	1,456,266	21.14	874,766	12.70
Bharat Equity Services Ltd	339,490	4.93	340,090	4.94
Gayatri Pipes & Fittings Pvt .Limited	650,000	9.43	650,000	9.43
Soniya P Sheth	388,622	5.64	353,642	5.13
Bharat Capital & Holdings Limited	1,008,088	14.63	1,008,088	14.63

(iii) Terms / rights attached to Equity Shares :

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

KUNSTSTOFFE INDUSTRIES LTD.

Note 8: Other Equity

Particulars	As at	As at
	31 March, 2019	31 March, 2018
	₹	₹
(a) Securities premium account	19,750,000	19,750,000
(b) Revaluation Reserve		
Opening balance	27,587,159	76,665,507
Add: Additions during the year	-	(49,078,348)
Closing balance	27,587,159	27,587,159
(c) General reserve		
Opening balance	7,072,939	267,072,939
Add: Additions during the year	-	(260,000,000)
Closing balance	7,072,939	7,072,939
(d) Capital reduction reserve		
Opening balance	70,508,254	70,508,254
Add: Additions during the year	-	-
Less: Capital reduction expenses	-	-
Closing balance	70,508,254	70,508,254
(e) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(122,255,375)	(384,027,065)
Add: Profit / (Loss) for the year	5,119,573	1,771,690
	-	260,000,000
Closing balance	(117,135,802)	(122,255,375)
Total	7,782,550	2,662,977

Disclosures under AS 24

Related party transactions

Details of related parties:

Description of relationship	Name of related parties
Key Management Personnel (KMP)	Soniya Sheth
Relatives of KMP	
Daughter	Dhwani Sheth
Common Director-Soniya Sheth	Stallion Breweries Ltd

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

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Details of related party transactions during the year:	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
<u>Remuneration & Perquisites</u>	-	-
Soniya Sheth	2,588,655	1,642,290
<u>Rent Paid</u>		
Soniya Sheth	-	-
Dhwani Sheth	-	167,515
Unnati Sheth	486,684	322,585

Note 9: Trade payables

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
<u>Trade payables**</u>		
Creditors for Goods	1,591,770	6,265,619.00
Creditors for Expenses	16,759,937	16,386,999
Total	18,351,707	22,652,618
** Trade payables in above Note includes ₹ NIL (P.Y. ₹ NIL) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).		

Note-10-Provisions

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
Provision for employees benefit	595,769	373,199
Provision for Income Tax	550,168	-
	1,145,937	373,199

Note 11: Other current liabilities

Particulars	As at 31 March, 2019 ₹	As at 31 March, 2018 ₹
<u>Other payables (Advance from customers)</u>	4,829,617	-
<u>Customer Deposit</u>	100,000	100,000.00
GST Liabilities	771,700	2,321,143.12
TDS Liabilities	126,612	82,610.00
Statutory remittances (Contributions to PF, TDS, GST, etc.)	152,506	80,952
Total	5,980,435	2,584,705

KUNSTSTOFFE INDUSTRIES LTD.

Note 12: Revenue from operations

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	₹	₹
Sales (Labour Charges)	-	1,303,380
Sales Finished Goods	119,781,309	104,071,166
Total	119,781,309	105,374,546

Note 13: Other Income

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	₹	₹
(a) <u>Interest income</u>		
Round off	11	-
Interest on IT refund	56,397	33,558
On Deposit in Electricity Deptt	8,302	7,662
On fixed deposit	11,024	19,894
(c) Rental income from properties	1,200,000	1,440,000
Total	1,275,734	1,501,114

Note 14: Cost of materials consumed

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	₹	₹
Opening stock	11,545,624	-
Add: Purchases	82,980,471	90,966,175
	94,526,095	90,966,175
Less: Closing stock	10,651,229	11,545,624
Cost of material consumed	83,874,866	79,420,551

Note 15: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
	₹	₹
<u>Inventories at the end of the year:</u>		
Finished goods	2,741,545	871,541
<u>Inventories at the beginning of the year:</u>		
Finished goods	871,541	-
Net (increase) / decrease	(1,870,004)	(871,541)

Note 16: Manufacturing Expenses-Power & Fuel

Particulars	For the year ended 31 March, 2019 ₹	For the year ended 31 March, 2018 ₹
Manufacturing Expenses-Power & Fuel	13,896,654	11,325,131
	13,896,654	11,325,131

Note 17: Employee benefits expense

Particulars	For the year ended 31 March, 2019 ₹	For the year ended 31 March, 2018 ₹
Salaries and wages	8,816,811	5,912,263
Contributions to provident and other funds (Refer footnote)	875,877	496,099
Staff welfare expenses	328,339	166,804
Total	10,021,027	6,575,166

Disclosure under AS 19

Employee benefit plans (Defined contribution plans)

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹8,75,877/- (Year ended 31 March, 2018 ₹ 4,96,099/-) for Provident Fund contributions and N.A. (Year ended 31 March, 2018 - N.A.) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Note 18 : Selling & Distribution Expense

Particulars	For the year ended 31 March, 2019 ₹	For the year ended 31 March, 2018 ₹
Selling & Distribution Expense		
Commission on sales	1,304,336	1,637,404
Sales Promotion	17,600	-
Advertisement & Publicity	114,978	108,892
	1,436,914	1,746,296

Note 19: Other expenses

Particulars	For the year ended 31 March, 2019 ₹	For the year ended 31 March, 2018 ₹
Manufacturing Expense		
Consumption of stores and spare parts	589,822	492,226
Job Work Charges	168,052	-
Terminal Depreciation	-	2,750,000
Other Direct Expenses/ Technical Consultancy	240,000	-

KUNSTSTOFFE INDUSTRIES LTD.

Particulars	For the year ended	For the year ended
	31 March, 2019	31 March, 2018
	₹	₹
<u>Administration Expense</u>		
Bank Charges	140,121	140,414
Canteen Expenses	2,070	-
Communication (Telephone Expenses)	70,590	74,035
Coolie & Cartage Expenses	104,162	140,104
Data Processing Charges	303,437	172,559
Festival Expenses	-	21,000
Gift and Donation	417,500	-
Gardening Expenses	51,300	67,440
Insurance	37,041	44,378
Legal and professional	75,950	160,930
Miscellaneous expenses	158,924	51,597
Office Expenses	42,196	55,153
Payments to auditors (Refer footnote)	102,000	102,000
Postage & Telegram	858,189	925,386
Printing and stationery	219,666	390,684
Rates and taxes	304,946	506,697
Rent	72,000	72,000
Repairs and maintenance - Buildings	57,250	-
Repairs and maintenance - Machinery	674,870	-
Repairs and maintenance - Others	228,001	242,843
Security Charges	1,179,190	222,036
VAT (Expenses)	-	-
Travelling and conveyance	222,983	53,030
Total	6,320,260	6,684,512

Footnotes:

Particulars	For the year ended	For the year ended
	31 March, 2019	31 March, 2018
	₹	₹
<u>Payments to the auditors comprises (net of service tax input credit, where applicable):</u>		
As auditors - statutory audit	50,000	50,000
For other services -Tax Audit	50,000	50,000
For other services -GST / VAT Audit	2,000	2,000
Total	102,000	102,000

Note 20 : Provision for Income Tax

Particulars	For the year ended 31 March, 2019 ₹	For the year ended 31 March, 2018 ₹
Provision for Taxation	550,168	-
Total	550,168	-

Note 20: Earnings Per Share

Particulars	For the year ended 31 March, 2019 ₹	For the year ended 31 March, 2018 ₹
Net Profit as per statement of profit and loss before extraordinary item (₹)	5,119,573	1,771,690
Weighted average number of equity shares outstanding during the year (Nos.)	6,890,000	6,890,000
Earning per equity share (Nominal value per share ₹10/- each) Basic and diluted	0.74	0.26
Net Profit as per statement of profit and loss after extraordinary item (₹)	5,119,573	1,771,690
Weighted average number of equity shares outstanding during the year (Nos.)	6,890,000	6,890,000
Earning per equity share (Nominal value per share ₹10/- each) Basic and diluted	0.74	0.26

As per our report of even date

For and on behalf of the Board of Directors

For A.V.Jobanputra & Co.

Chartered Accountants

Firm Registration No: 104314W

Unnati P. Sheth

Chief Finance Officer

Soniya P. Sheth

Managing Director

A.V.Jobanputra

Proprietor

Membership No. 016352

Padmini Ravindran

Company Secretary

S. Chacko

Director

U. K. Jha

Director

Place : Mumbai

Date : 08.08.2019

Place : Mumbai

Date : 08.08.2019

KUNSTSTOFFE INDUSTRIES LTD.



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 33rd Annual General Meeting of the Company being held on Tuesday, 24th September, 2019 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 33rd Annual General Meeting of the Company to be held on Tuesday, 24th September 2019 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	Consider and adopt the Reports of Auditors, Directors and Audited Financial Statements for the Year ended March 31, 2019.			
2	Appointment of M/s. Akshay Kirtikumar & Associates, Chartered Accountants as Statutory Auditor and authorize the Board of Directors to fix their remuneration.			
Special Business				
3	To re-appoint Ms. Soniya P. Sheth as Managing Director			
4	To re-appoint Mr. Ujjawalkumar R. Jha as an Independent Director			
5	To re-appoint Mr. Bhaskar T. Iyer as an Independent Director			
6	To re-appoint Mr. Sacariah Chacko as an Independent Director			

Signed this..... day of2019.

Signature of shareholder (s).....

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

Affix 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 33rd 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.