



# 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 ♦ [www.kunststoffeindia.com](http://www.kunststoffeindia.com) ★ Email : [kunststoffe@kunststoffeindia.com](mailto:kunststoffe@kunststoffeindia.com)

Date: 26<sup>th</sup> August, 2022

To,  
**BSE Limited**  
Corporate Relations Department,  
1st Floor, New Trading Ring,  
P. J. Towers, Dalal Street,  
Mumbai - 400 001.

Ref: Scrip Code: 523594 - Kunststoffe Industries Limited

Sub.: Annual Report for the financial year ended 31st March, 2022.

Dear Sir / Madam,

This is further to our letter dated 10<sup>th</sup> August, 2022 wherein the Company had informed that the 36<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Wednesday, 21<sup>st</sup> September, 2022 at 11.00 a.m. at The Mysore Association, Bombay, 393, Bhaudaji Road, Matunga, Mumbai - 400 019.

In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company and the Notice of 36<sup>th</sup> AGM for the financial year 2021-22, which is being sent through electronic mode to the Members.

The Annual Report containing the Notice of 36<sup>th</sup> Annual General Meeting is also uploaded on the Company's website at <https://www.kunststoffeindia.com> and this is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com)

You are requested to kindly take the above information on record.

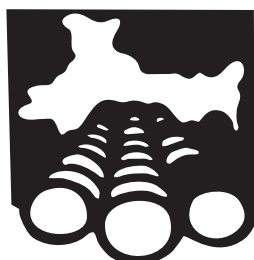
Thanking You,  
Yours faithfully,  
For Kunststoffe Industries Limited

*Soniya P Sheth*

Soniya P Sheth  
Managing Director  
DIN No - 02658794



Encl: As above



# **KUNSTSTOFFE INDUSTRIES LIMITED**

**36<sup>th</sup> Annual Report  
2021-2022**

# **KUNSTSTOFFE INDUSTRIES LTD.**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Ms. Soniya Sheth - Managing Director  
Mr. Sacariah Chacko - Independent Director  
Mr. Ujjwalkumar Jha - Independent Director  
Mr. Rajender Sharma - Independent Director

### **KEY MANAGERIAL PERSONNEL**

Ms. Unnati P. Sheth - Chief Financial Officer  
Ms. Padmini Ravindran - Company Secretary

### **STATUTORY AUDITORS**

M/s. Akshay Kirtikumar & Associates LLP  
Chartered Accountants, Mumbai

### **INTERNAL AUDITORS**

M/s. Atul Dedhia & Associates  
Chartered Accountants, Mumbai

### **SECRETARIAL AUDITOR**

Mr. Pratik Kalsariya of M/s. K. Pratik & Associates  
Company Secretary in Practice

### **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](mailto:kunststoffe@kunststoffeindia.com)  
Website - [www.kunststoffeindia.com](http://www.kunststoffeindia.com)  
CIN: L65910MH1985PLC037998

### **BANKERS**

Bank of Baroda, Matunga, Mumbai  
State Bank of India, Daman

### **WORKS**

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

### **LISTED ON STOCK EXCHANGE**

BSE Limited

### **REGISTRARS & SHARE TRANSFER AGENTS**

#### **LINK INTIME INDIA PRIVATE LIMITED**

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 36th Annual General Meeting of the Members of **Kunststoffe Industries Limited** will be held on **Wednesday, 21st day of September, 2022** 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 Statements of the Company for the financial year ended 31st March, 2022 together with the reports of the Board of Directors and Statutory Auditor thereon.
2. To reappoint Mrs. Soniya P. Sheth (DIN: 02658794), Managing Director who retires by rotation and being eligible offers herself for re-appointment.

**SPECIAL BUSINESS**

3. To approve the revision in remuneration payable to Mrs. Soniya Sheth (DIN: 02658794), Managing Director of the Company and in this regard, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors of the Company and subject to all other sanctions, approval and permission as may be required, the remuneration payable to Mrs. Soniya Sheth (DIN: 02658794), Managing Director of the Company be and is hereby revised with effect from 1st September, 2022 for remaining period of her current tenure on following terms and conditions:

- (a) Salary of ₹ 4,50,000/- per month including dearness allowance, with an annual increase of ₹ 20,000/- per month.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) Gratuity not exceeding half month's salary for each completed year of service.

**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.

## **KUNSTSTOFFE INDUSTRIES LTD.**

- 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.

RESOLVED FURTHER THAT any Director or the Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

**Padmini Ravindran**  
Company Secretary

**Place: Mumbai**

**Date: 10th August, 2022**

**Registered Office:**

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

CIN: L65910MH1985PLC037998

E-mail: [kunststoffe@kunststoffeindia.com](mailto:kunststoffe@kunststoffeindia.com)

Website: [www.kunststoffeindia.com](http://www.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 appointing 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 Annual General 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. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
3. Corporate Members intending to send their authorized representative(s) to attend the Meeting in terms of Section 113 of the Companies Act, 2013, are requested to send the Company a certified true copy of the Board Resolution authorizing such representative to attend and vote on their behalf at the Meeting.
4. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to the Special Business to be transacted at the Meeting, is annexed hereto.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the date of the AGM will be provided by CDSL.
6. 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.
7. 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.
8. 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 **Link Intime 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.
9. The route map showing directions to reach the venue of the AGM is annexed.
10. The Share Transfer Books and the Register of Members of the Company will remain close from **14th September, 2022 to 21st September, 2022** (both days inclusive).
11. 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.
12. 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.

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13. 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.
14. 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.
15. 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.
16. 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.
17. 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. Link Intime 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.
18. In accordance with the circulars issued by MCA and SEBI vide Circular no SEBI/HO/CFD/CMD2/CIR/P/2022/62, the Notice of the 36th AGM along with the Annual Report 2021-22 is being sent by electronic mode to Members whose e-mail id is registered with the Company or the Depository Participants (DPs). Physical copy of the Notice of the 36th AGM along with Annual Report for the financial year 2021-22 shall be sent to those Members who request for the same. Further the aforesaid documents can be accessed on the Company's website i.e. [www.kunststoffeindia.com](http://www.kunststoffeindia.com) and website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).
19. The Equity Shares of the Company are listed at the following stock exchange:  
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001.  
The listing fee to the above exchange has been paid.
20. **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 Sixth 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. 14th September, 2022.
- (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. 14th September, 2022 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](http://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:**

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Sunday 18th September, 2022 at 09.00 a.m.** and ends on **Tuesday, 20th September, 2022 at 05.00 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) i.e. **14th September, 2022** 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



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Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

## KUNSTSTOFFE INDUSTRIES LTD.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [kunststoffe@kunststoffeindia.com](mailto:kunststoffe@kunststoffeindia.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [kunststoffe@kunststoffeindia.com](mailto:kunststoffe@kunststoffeindia.com) / [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT OR WHOSE REMUNERATION IS PROPOSED TO BE APPROVED AT THE FORTHCOMING ANNUAL GENERAL MEETING**

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

<b>Name of the Director</b>	<b>Ms. Soniya P. Sheth</b>
<b>DIN</b>	02658794
<b>Date of Birth</b>	14th February, 1985
<b>Date of appointment</b>	29th September, 2014
<b>Qualification</b>	M.A.
<b>Nature of her Expertise</b>	Interior Decorator, Investment consultant & Dynamic professional also having good marketing experience.
<b>List of Directorships of other Companies as at 31st March, 2022</b>	1) Fiberweb (India) Limited (Listed Company)
	2) Bharat Capital and Holdings Limited
	3) Stallion Breweries Limited
	4) Chemical & Alkali Distributors Limited
	5) Parijat Private Limited
	6) Star Developers Private Limited
	7) Sun Properties Private Limited
	8) Sun Capital and Consultancy Private Limited
<b>List of Membership/ Chairmanship of the Committees* of other Board as on 31st March, 2022</b>	Membership in Audit Committee and Stakeholders' Relationship / Grievances of Fiberweb (India) Limited
<b>Shareholding in Kunststoffe Industries Limited</b>	1966344 shares (28.54%)
<b>Remuneration proposed to be paid</b>	₹ 4,50,000/- per month
<b>Relationship between directors inter-se</b>	No
<b>Terms and Conditions of appointment</b>	As per Nomination and Remuneration Policy of the Company

\*Only Audit and Stakeholders Relationship Committees are considered.

By Order of the Board of Directors  
For **Kunststoffe Industries Limited****Padmini Ravindran**  
Company Secretary**Place: Mumbai**  
**Date: 10th August, 2022****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.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### Item No 3

Mrs Soniya Sheth , Managing Director of the Company, has been associated with the Company since more than 5 years as Managing Director of the Company. Mrs Soniya Sheth, aged 38 years, is M.A by qualification. She is specialized in Interior Decoration and also act as an Investment consultant & Dynamic professional also having good marketing experience. She holds 19,66,344 Equity shares in the Company and is one of the promoter of the Company. Considering her knowledge and contribution made in the growth of the company and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee, the Board of Directors of the Company in its meeting held on 10th August, 2022, revised the remuneration payable to him w.e.f. 1st September, 2022 for the remaining period of her current tenure as specified in the resolution set out at item no. 3 of the notice. Her remuneration is revised as per the following details provided which is effective from 01st September, 2022.

- (a) Salary of ₹ 4,50,000/- per month including dearness allowance, with an annual increase of ₹ 20,000/- per month.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) Gratuity not exceeding half month's salary for each completed year of service.

#### 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.

The Board of Directors recommends passing of the Special Resolution as set out at item no. 3 of the Notice for approval of members of the Company.

Except Mrs Soniya Sheth and her relatives, none of the other Directors, Key Managerial Personnel or any of their respective relatives are, in any way, concerned or interested, whether financially or otherwise, in this resolution.

The Board of Directors recommends the Special Resolution for approval of members of the Company, as set out at Item No. 3 of the Notice.

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

**Padmini Ravindran**  
Company Secretary

**Place: Mumbai**

**Date: 10th August, 2022**

#### Registered Office:

Kiran Building, 128, Bhaudaji Road,

Matunga (E), Mumbai - 400 019.

CIN: L65910MH1985PLC037998

E-mail: [kunststoffe@kunststoffeindia.com](mailto:kunststoffe@kunststoffeindia.com)

Website: [www.kunststoffeindia.com](http://www.kunststoffeindia.com)

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the **36th Annual Report** and Audited Financial Statements of the Company for the year ended 31st March, 2022. The summarized financial results are given below:

**SUMMARISED FINANCIAL RESULTS:**

(₹ In Thousands)

Particulars	2021-22	2020-21
Net Sales	127561	96566
Other Income	3159	2638
Total Income	130720	99204
<b>Expenses</b>		
Operating Expenditure	84345	63306
Changes in inventories of finished goods and work-in-process and stock-in-trade	(226)	402
Employee benefits expenses	13412	12885
Depreciation and amortization expense	715	349
Other expenses	14371	12311
Profit / (loss) from operations before extra-ordinary items and tax	18103	9951
Tax Expense: Current Tax	4135	2000
Deferred tax (credit) /charge	(377)	(597)
Income-Tax of Earlier Year	(026)	--
Net Profit / (toss) for the period	14371	8548

**OPERATIONS**

During the current year gross receipts of the Company was ₹130720 thousands against ₹ 99204 thousands of the previous year, depreciation amounted to ₹ 715 thousands (against ₹ 349 thousands in last year) and Net Profit increased to ₹ 14371 thousands as against 8548 thousands in last year (an increase of 68.12% as compared to last year).

**DIVIDEND**

Your Directors do not recommend any dividend on Equity Shares for FY 2021-22. During the year no amount has been transferred to General Reserve.

**SHARE CAPITAL:**

The Paid up Equity Share Capital of the Company as on March 31, 2022 was ₹ 6,89,00,000 divided into 68,90,000 Equity shares having face value of ₹ 10 each. During the year under review, the Company has not issued any shares with differential rights, sweat equity shares and equity shares under Employees Stock Option Scheme.

**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.

# **KUNSTSTOFFE INDUSTRIES LTD.**

## **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.

## **LISTING OF SECURITIES AND FEES**

The Company's Equity Shares are listed on Bombay Stock Exchange Ltd. Your company has already paid Listing Fees for the financial year 2021-2022.

## **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, 2022.

## **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, 2022 and the date of this Directors' Report i.e. 10th August, 2022.

## **CORPORATE GOVERNANCE**

Since, the paid-up capital of the Company is less than 10 Crores and Net worth is less than 25 Crores, the provisions of the Corporate Governance as stipulated under Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

Therefore, taking Auditors Certificate on Corporate Governance as required under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

However, your Company has made every effort to comply with the provisions of the Corporate Governance and to see that the interest of the Shareholders and the Company are properly served. It has always been the Company's endeavor to excel through better Corporate Governance and fair & transparent practices, many of which have



already been in place even before they were mandated by the law of land. The management of Company believes that it will further enhance the level of Corporate Governance in the company.

### **ANNUAL SECRETARIAL COMPLIANCE REPORT**

The Annual Secretarial Compliance Report under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with SEBI circular no: CIR/ CFD/CMD1/27/2019 dated 08th February, 2019, BSE circular no. LIST/COMP/10/2019-20 dated 9th May, 2019 and BSE circular no LIST/COMP/12/2019-20 dated 14May, 2019 is not applicable to the Company due to exemption under Regulation 15(2) of SEBI (LODR) Regulations, 2015.

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Including criteria for determining qualification, positive attributes, and 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.

### **MANAGEMENTS' DISCUSSION AND ANALYSIS REPORT**

Managements' Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Director's Report.

#### **Retire by Rotation**

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

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

None of the Company's directors are disqualified from being appointed as a director as specified in Section 164 of the Act.

The Independent Directors of the Company have furnished the declaration under the Act and SEBI Listing Regulations that each of them meets the criteria of independence as provided in the Act/Regulations and during the year, there has been no change in the circumstances which may affect their position as Independent Director.

As on 31st March, 2022, pursuant to the provisions of Section 203 of the Act, Mrs Soniya Sheth Managing Director, Ms Unnati Sheth Chief Financial Officer and Ms Padmini Ravindran were the KMPs of the company.



## KUNSTSTOFFE INDUSTRIES LTD.

Following are the Directors of the Company as on 31st March, 2022:

Sr No	Name of Directors	Designation
1	Mrs. Soniya Sheth	Managing Director
2	Mr. Sacariah Chacko	Non-Executive and Independent Director
3	Mr. Ujjawalkumar Jha	Non-Executive and Independent Director
4	Mr. Rajender Sharma	Non-Executive and Independent Director

### DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

Pursuant to Section 149(7) of the Companies Act, 2013 as well as Regulation 25(8) of the Listing Regulations, all the 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, Regulation 16(1) (b) of SEBI Listing Regulations and the same has been taken on record by the Board of Directors of the Company.

The Independent Directors of the Company have confirmed that they have registered their names with the Institute of Corporate Affairs for inclusion of their name in the data bank.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) and 134(5) 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, 2022, 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 year 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, 2022 on a 'going concern' basis.
- ❖ The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- ❖ The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### NUMBER OF MEETINGS OF THE BOARD:

During the financial year ended March 31, 2021, Four (4) Board Meetings were held and the requisite Quorum was present. The interval between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board meeting was held on the following dates:

1. 27th May, 2021
2. 05th August, 2021
3. 10th November, 2021
4. 09th February, 2022

### DETAILS OF COMMITTEE OF DIRECTORS:

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and

## ANNUAL REPORT 2021-2022

function under their respective Charters. These committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are usually placed before the Board for noting.

The Board currently has the following Committees:

- A. Audit Committee.
- B. Nomination & Remuneration Committee
- C. Stakeholders Relationship Committee.

### A. Audit Committee

The composition of the Audit Committee is in alignment with the provisions of Section 177 of the companies Act, 2013 read with the Rules issued there under and Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The composition of the Audit Committee as on 31st March, 2022 and number of meetings attended by the members during the year are given below

Name of Member	Designation	No of Meetings entitled to attend	Meetings Attended
Ujjawalkumar R. Jha	Non-Executive - Independent Director, Chairperson	4	4
Rajender J. Sharma	Non-Executive - Independent Director, Member	4	4
Sacariah Chacko	Non-Executive - Independent Director, Member	4	4

During the year, four (4) Audit Committee meetings were held on the following dates:

1. 26th May, 2021
2. 04th August, 2021
3. 09th November, 2021
4. 08th February, 2022

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

### B. Nomination and Remuneration Committee

The policy formulated under Nomination and Remuneration Committee are in conformity with the requirements as per provisions of sub-Section (3) of Section 178 of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company had Constituted Nomination and Remuneration Committee to decide and fix payment of remuneration and sitting fees to the Directors of the Company as per provisions u/s 178 of the Companies Act, 2013. The composition of the Nomination and Remuneration Committee as on 31st March, 2022 and number of meetings attended by the Members during the year are given below:

Name of Member	Designation	No of Meetings entitled to attend	Meetings Attended
Ujjawalkumar R. Jha	Non-Executive - Independent Director, Chairperson	4	4
Rajender J. Sharma	Non-Executive - Independent Director, Member	4	4
Sacariah Chacko	Non-Executive - Independent Director, Member	4	4

During the year, four (4) Nomination and Remuneration Committee meetings were held on the following dates:

1. 26th May, 2021
2. 04th August, 2021
3. 09th November, 2021
4. 08th February, 2022

### C. Stakeholder Relationship Committee

The Stakeholders Relationship Committee of the Board of Directors was constituted in line with the provision of Regulation 20 of SEBI (LODR) Regulations 2015 read with section 178 of the Act to look after Shareholders'/

## KUNSTSTOFFE INDUSTRIES LTD.

Investors' Grievance like redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports etc.

The composition of the Stakeholder Relationship Committee as on 31st March, 2022 and number of meetings attended by the Members during the year are given below:

Name of Member	Designation	No of Meetings entitled to attend	Meetings Attended
Ujjawalkumar R. Jha	Non-Executive - Independent Director, Chairperson	4	4
Rajender J. Sharma	Non-Executive - Independent Director, Member	4	4
Sacariah Chacko	Non-Executive - Independent Director, Member	4	4

During the year, four (4) Nomination and Remuneration Committee meetings were held on the following dates:

1. 26th May, 2021
2. 04th August, 2021
3. 09th November, 2021
4. 08th February, 2022

### SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the Company. Also SS-3 "Dividend" is duly complied by the Company.

### 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 Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website: [www.kunststoffeindia.com](http://www.kunststoffeindia.com).

Since all the transaction with Related Parties entered during the Financial Year 2021-22 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. However the same are provided in the financial statement forming part of this annual report.

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

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

### INTERNAL FINANCIAL CONTROLS

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

### RISK MANAGEMENT

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

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

The constitution of Risk Management Committee is not mandatory for your Company as per provisions of Regulation 21 of LODR as it is applicable to the Top 1000 listed entities.

### VIGIL MECHANISM

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected

disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: [www.kunststoffeindia.com](http://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**

The provisions relating to Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 are not applicable to the Company.

### **RELATED PARTY TRANSACTIONS**

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website [www.kunststoffeindia.com](http://www.kunststoffeindia.com). However, there were no party transactions of the Company under the said policy and as per provisions of section 188 of Companies Act 2013 & rules made there under.

There are no materially significant related party transactions made by the Company with its promoters, Directors or management, their relatives etc. that may have potential conflict with the interest of the Company at large.

### **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is available on the Company's website: [www.kunststoffeindia.com](http://www.kunststoffeindia.com).

### **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, 2022, about 79.27% shareholding representing 54,61,989 Equity Shares of the Company have been dematerialized. Your Company has executed agreements with both NSDL and CDSL for demat of its shares.

### **INTER-SE TRANSFER OF SHARES AMONG PROMOTERS**

During the year there were inter-se transfer of shares among promoters which was carried out in compliance with the provision of the Companies Act, 2013 and rules and regulation of SEBI (LODR) Regulation, 2015. The following are the details

1. 14,50,000 Equity Shares representing 21.00% of the total capital were transferred from Mr Pravin V. Sheth to Mrs Soniya P. Sheth – Promoters on 21.06.2021.
2. 17,000 Equity Shares representing 0.25% of the total capital were transferred from Ms Unnati P. Sheth to Mrs Soniya P. Sheth- Promoters on 23.06.2021.

The inter-se transfer of shares is pursuant to Regulation 10(1)(a)(i) of the SEBI (SAST) Regulation, 2011 by way of Gift of shares amongst immediate relatives, also the promoters of Kunststoffe Industries Limited.

# KUNSTSTOFFE INDUSTRIES LTD.

## AUDITORS AND AUDITORS' REPORT

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

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

## SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read along with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. K. Pratik & Associates, Practicing Company Secretaries (C.P.No.: 12368) as Secretarial Auditor, for the year ending 31st March, 2022. The Secretarial Audit Report contains Qualifications, Reservation and explanations, if any are self explanatory.

The Secretarial Auditor has submitted its Report in Form No. MR-3 for the Financial Year ended 31st March, 2022 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.
5. There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed thereunder.

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

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

On behalf of the Board  
**For Kunststoffe Industries Limited**

**Soniya P. Sheth**  
**Managing Director**  
**DIN: 02658794**

**Ujjwalkumar Jha**  
**Director**  
**DIN: 06825669**

**Place: Mumbai**

**Date: 10 thAugust, 2022**

## 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, 2022.

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 expenses/ allowances, accident insurance premium, Company's Contribution to Provident and Superannuation funds and the monetary value of perquisites calculated in accordance with the provisions of the Income-tax Act, 1961 and the Rules made there under and excludes provision for retiring gratuity for which separate figure is not available.
2. The above employees are not relative of any Director of the Company.

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

**Padmini Ravindran**  
Company Secretary

**Place: Mumbai**  
**Date: : 10th August, 2022**

**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

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

**For K PRATIK & ASSOCIATES  
PRACTISING COMPANY SECRETARY**

**PRATIK HARSHAD KALSARIYA  
PROPRIETOR  
M. NO. A33502  
C. P. NO. 12368**

**\* UDIN No. : A033502D000400748**

**Date: May 26, 2022**

**Place: Mumbai**

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



Annexure III

FORM NO. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

[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,  
**KUNSTSTOFE INDUSTRIES LIMITED**  
Kiran Building, 128, Bhaudaji Road,  
Matunga (E), Mumbai- 400 019.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2022 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. Kunststofe Industries Limited** for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made hereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws specifically applicable to the Company, namely;
  - 1. Factories Act, 1948
  - 2. Industrial Disputes Act, 1947
  - 3. Payment of Wages Act, 1936



## KUNSTSTOFFE INDUSTRIES LTD.

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

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

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

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

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

### **We further report that,**

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

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

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

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

**For K PRATIK & ASSOCIATES  
PRACTISING COMPANY SECRETARY**

**M. NO. A33502**

**C. P. NO. 12368**

**UDIN No. : A033502D000778521**

**Date: August 10, 2022**

**Place: Mumbai**

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

**‘ANNEXURE A’**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate 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.

**For K PRATIK & ASSOCIATES**  
**PRACTISING COMPANY SECRETARY**  
**M. NO. A33502**  
**C. P. NO. 12368**  
**UDIN No. : A033502D000778521**

**Date: August 10, 2022**  
**Place: Mumbai**

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **ANNEXURE**

#### **DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT REGULATION 34(3) READ WITH SCHEDULE V (D) OF THE SEBI (LODR), 2015**

I do hereby declare that pursuant to Schedule V (D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2022.

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

**Sd/-**  
**(Soniya Sheth)**  
**Managing Director**

**Sd/-**  
**(Unnati Sheth)**  
**Chief Financial Officer**

**CERTIFICATE**

(Pursuant to Regulation 17(8) of SEBI (LODR), Regulations, 2015)

To

The Board of Directors,

**Kunststoffe Industries Limited**

I, the undersigned in our respective capacities as Chief Financial Officer of Kunststoffe Industries Limited ("the Company") to the best of my knowledge and belief hereby certify that:

- a. I have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2022 and that to the best of my knowledge and belief, I state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any 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. I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative to the Code of Conduct adopted by the Company.
- c. I hereby declare that all the members of the Board of Directors have confirmed compliance with the Code of Conduct of the Company.
- d. I responsible for establishing and managing internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting of the Company and I have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I aware and the steps I have taken or proposed to take to rectify these deficiencies.
- e. I have indicated, based in my most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours Faithfully

**For Kunststoffe Industries Limited**

**Ms. Unnati P. Sheth**

**Chief Financial Officer**

**Place: Mumbai**

**Date: 26 .05.2022**

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **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 80000 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 2021-2022 has been progressive and it is hoped to scale greater heights.

#### **BUSINESS OUTLOOK:**

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

#### **OPPORTUNITIES AND THREATS:**

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

#### **RISK MANAGEMENT**

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

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

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

#### **SEGMENT REPORTING UNDER ACCOUNTING STANDARDS 17:**

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

#### **HUMAN / INDUSTRIAL RELATIONS:**

The Company is well managed by Managing Director of the Company assisted by highly technical professionals. 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, 2022 was 26 Nos. as against 23 Nos. on 31st March, 2021.

**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 Thousands)**

	<b>2021-22</b>	<b>2020-21</b>
Sales & other receipts	130720	99204
Gross Profit/(Loss) before depreciations	57261	16573
Less : Depreciation	715	349
Profit(Loss) from regular Activities	18103	9951
Extraordinary items	--	--
Profit /(Loss) before taxation	18103	9951
Provision for tax	3732	1403
Profit /(Loss) after taxation	14371	8548
Earnings Per Share	2.09	1.24

During the year the sales turnover of the Company was ₹ 130720 thousands against ₹ 99204 thousands the sales of the previous year.

**CAUTIONARY STATEMENT:**

Statement in this report on management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand and supply conditions, finished goods prices, raw material costs and availability, change in Government regulations and tax structure, economic developments within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

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

On behalf of the Board

**Soniya P. Sheth**  
**Managing Director**  
**DIN: 02658794**

**Place: Mumbai**  
**Date: 10th August, 2022**

**Registered Office:**  
 Kiran Building, 128,  
 Bhaudaji Road, Matunga (E),  
 Mumbai – 400 019.  
 CIN: L65910MH1985PLC037998  
 E-mail: [kunststoffe@kunststoffeindia.com](mailto:kunststoffe@kunststoffeindia.com)  
 Website: [www.kunststoffeindia.com](http://www.kunststoffeindia.com)

# **Financial Statements**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Kunststoffe Industries Limited**

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Kunststoffe Industries Limited ('the Company'), which comprise the standalone balance sheet as at 31 March 2022, the statement of profit and loss (including Other Comprehensive Income, if any), standalone statement of cash flow and standalone statement of changes in equity for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2022, and its profit, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.

**Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

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

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate



## KUNSTSTOFFE INDUSTRIES LTD.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, based on our audit we report that;

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matter to be included in the Auditors' Report under section 197(16), as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V of the Act.

- h) 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 litigation which has impact on its financial position.
  - ii) The Company has made provision as at 31 March 2022, as required under the applicable law or Ind AS, for material foreseeable losses, if any, to the standalone financial statements;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
  - iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

## **KUNSTSTOFFE INDUSTRIES LTD.**

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement; and
- i) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

**For Akshay Kirtikumar & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No.: 138182W/W100760**

**Akshay Shah**  
**Partner**  
**Membership No.: 155729**  
**UDIN: 22155729AJRIQV2765**

**Place: Mumbai**  
**Date: 26 May 2022**

**Annexure A to the Independent Auditor's Report**

{Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kunststoffe Industries Limited)}

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment:
  - a)
    - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
    - B. The Company does not have intangible assets hence reporting under clause 3(i)(a)(B) is not applicable.
  - b) The Company has a program of physical verification of Property, Plant and Equipment, so as to cover all the assets once every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and based on the examination of the registered sale deed/transfer deed/conveyance deed / share certificate / other documents evidencing title, we report that the title deeds of immovable properties of land and building which are freehold, as disclosed in the standalone financial statements, are held in the name of the Company under Property, Plant and Equipment as at the balance sheet date. The Company have not taken any immovable properties of land and buildings on lease.
  - d) The Company has not revalued any of its Property, Plant and Equipment during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at 31 March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The inventory, except goods-in-transit and goods lying with third parties, has been physically verified by the management at reasonable intervals during the year. The coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account. In respect of inventory lying with third parties at year end, these have substantially been confirmed by them.
- b) According to the information and explanation given to us and on the basis of our examination, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company
- (iii) According to information and explanations given to us the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

## KUNSTSTOFFE INDUSTRIES LTD.

- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3(ix)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standard.
- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

## ANNUAL REPORT 2021-2022

- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. And hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)(a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. In respect of ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Special Account in compliance with the provision of sub-section (6) of section 135 of the said Act till the date of our report since the time period for such transfer i.e. 30 days from the end of the financial year has not elapsed till the date of our report.

For **Akshay Kirtikumar & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No.: 138182W/W100760**

**Akshay Shah**  
**Partner**  
**Membership No.: 155729**  
**UDIN: 22155729AJRIQV2765**

**Place: Mumbai**  
**Date: 26 May 2022**

# KUNSTSTOFFE INDUSTRIES LTD.

## Annexure B to the Independent Auditor's Report

{Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kunststoffe Industries Limited of even date}

### **Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013('the Act')**

We have audited the internal financial controls with reference to standalone financial statements of Kunststoffe Industries Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 (the "ICAI"). 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 Act.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures 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 31 March 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

For **Akshay Kirtikumar & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No.: 138182W/W100760**

**Akshay Shah**  
**Partner**  
**Membership No.: 155729**  
**UDIN: 22155729AJRIQV2765**

**Place: Mumbai**  
**Date: 26 May 2022**



**KUNSTSTOFFE INDUSTRIES LTD.****Balance Sheet as at 31 March, 2022**

₹ in Thousands, unless stated otherwise

Particulars	Note No.	As at 31 March, 2022	As at 31 March, 2021
<b>ASSETS</b>			
Property, plant and equipment	8	38,401.31	55,572.14
Other non-current assets		-	-
<b>Total non-current assets</b>		<b>38,401.31</b>	<b>55,572.14</b>
<b>Current assets</b>			
Inventories	9	15,295.06	19,658.08
Financial assets			
- Trade receivables	10	3,304.45	12,049.91
- Cash and cash equivalents	11	61,187.48	35,560.97
Current tax assets	12	8,304.77	3,965.75
Other current assets	13	3,848.87	3,949.61
Deferred tax asset (net)	14	973.60	596.82
<b>Total current assets</b>		<b>92,914.23</b>	<b>75,781.15</b>
<b>TOTAL ASSETS</b>		<b>131,315.54</b>	<b>131,353.30</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	68,900.00	68,900.00
Other equity	16	12,832.72	20,925.52
<b>Total Equity</b>		<b>81,732.72</b>	<b>89,825.52</b>
<b>Current liabilities</b>			
Financial liabilities			
- Trade payable	17	38,841.26	37,337.24
- Provisions	18	8,136.64	4,001.64
Other current liabilities	19	2,604.92	188.90
<b>Total Liabilities</b>		<b>49,582.81</b>	<b>41,527.77</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>131,315.54</b>	<b>131,353.30</b>

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

As per our report of even date

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

For Akshay Kirtikumar &amp; Associates LLP

Chartered Accountants

Firm Registration No: 138182W/W100760

Soniya P. Sheth

Managing Director

S. Chacko

Director

Akshay K. Shah

Partner

Membership No.: 155729

Padmini Ravindran

Company Secretary

Unnati P. Sheth

CFO

Place : Mumbai

Date : 26 May 2022

Place : Mumbai

Date : 26 May 2022

## ANNUAL REPORT 2021-2022

### Statement of Profit and Loss for the year ended 31 March, 2022

₹ in Thousands, unless stated otherwise

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>INCOME</b>			
Revenue from operations	20	127,561.44	96,565.88
Other income	21	3,158.91	2,638.27
<b>Total income</b>		<b>130,720.36</b>	<b>99,204.15</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	84,344.59	63,305.85
Changes in inventories	23	(226.33)	401.52
Employee benefits expense	24	13,412.42	12,885.14
Depreciation/amortisation expenses	8	715.46	349.11
Finance cost	25	-	104.59
Other expenses	26	14,371.28	12,206.33
<b>Total expenses</b>		<b>112,617.42</b>	<b>89,252.53</b>
<b>Profit / (Loss) before tax</b>		<b>18,102.93</b>	<b>9,951.62</b>
<b>Less tax expense:</b>			
Current tax expense		4,135.00	2,000.00
Deferred tax		(376.78)	(596.82)
Income Tax of Earlier Years Written Off/(Written Back)		(25.92)	
<b>Total Comprehensive Income</b>		<b>14,370.63</b>	<b>8,548.44</b>
<b>Earning per equity share of nominal value of ₹10/- each</b>	28	<b>2.09</b>	<b>1.24</b>
Basic and Diluted earnings per share (Amount in ₹)			

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

As per our report of even date

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

**For Akshay Kirtikumar & Associates LLP**

**Chartered Accountants**

**Firm Registration No: 138182W/W100760**

**Soniya P. Sheth**

**Managing Director**

**S. Chacko**

**Director**

**Akshay K. Shah**

**Partner**

**Membership No.: 155729**

**Padmini Ravindran**

**Company Secretary**

**Unnati P. Sheth**

**CFO**

**Place : Mumbai**

**Date : 26 May 2022**

**Place : Mumbai**

**Date : 26 May 2022**

# KUNSTSTOFFE INDUSTRIES LTD.

## Cash Flow Statement for the year ended 31 March, 2022

₹ in Thousands, unless stated otherwise

Particulars	As at 31 March 2022		As at 31 March 2021	
<b>A. Cash flow from operating activities</b>				
Profit after tax		14,370.63		8,548.44
<b>Add: Non-cash items considered separately</b>				
Depreciation and amortisation	715.46		349.11	
Provision for income tax and deferred tax	3,758.22	4,473.68	1,403.18	1,752.29
Operating profit before working capital changes		18,844.31		10,300.73
<b>Less: Items considered separately</b>				
Interest income		(1,587.94)		(1,205.94)
		17,256.37		9,094.79
<b>Changes in working capital</b>				
Inventories	4,363.02		(7,684.51)	
Trade receivables	8,745.46		1,605.28	
Other current assets	100.75		(108.32)	
Trade payables	1,504.02		14,745.75	
Other current liabilities	2,416.02		(1,742.94)	
Short term provision	-	17,129.27	-	6,815.26
<b>Cash Generated from Operations</b>		34,385.64		15,910.05
Net income tax (paid) / refunds		(4,339.02)		(1,837.35)
<b>Net cash flow from operating activities (A)</b>		<b>30,046.62</b>		<b>14,072.70</b>
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets	(6,008.05)		(3,860.22)	
Interest received	1,587.94	(4,420.11)	1,205.94	(2,654.28)
<b>Net cash flow used in investing activities (B)</b>		<b>(4,420.11)</b>		<b>(2,654.28)</b>
<b>C. Cash flow from financing activities</b>				
<b>Net cash flow from financing activities (C)</b>				
<b>Net increase in Cash and cash equivalents (A+B+C)</b>		<b>25,626.51</b>		<b>11,418.41</b>
Cash and cash equivalents at the beginning of the year		35,560.97		24,142.56
Cash and cash equivalents at the end of the year		61,187.48		35,560.97
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>25,626.51</b>		<b>11,418.41</b>

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

As per our report of even date

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

For Akshay Kirtikumar & Associates LLP  
Chartered Accountants  
Firm Registration No: 138182W/W100760

Soniya P. Sheth  
Managing Director

S. Chacko  
Director

Akshay K. Shah  
Partner  
Membership No.: 155729

Padmini Ravindran  
Company Secretary

Unnati P. Sheth  
CFO

Place : Mumbai  
Date : 26 May 2022

Place : Mumbai  
Date : 26 May 2022

## Statement of Changes in Equity For the year ended 31 March, 2022

## A. Equity Share Capital

₹ in Thousands, unless stated otherwise

Particulars	Balance at the beginning of the reporting period i.e. 1 April 2020	Change in Equity Share Capital during the year 2020-21	Balance at the end of the reporting period i.e. 31 March 2021	Change in Equity Share Capital during the year 2021-22	Balance at the end of the reporting period i.e. 31 March 2022
Equity Share Capital	68,900.00	-	68,900.00	-	68,900.00

## B. Other Equity

Particulars	Balance at the beginning of the reporting period i.e. 1 April 2021	Total Comprehensive Income for the year	Transfer to / (from) Retained Earnings	Share Application Money Returned / Shares Allotted	Balance at the end of the reporting period i.e. 31 March 2022
<b>As at 31 March 2022</b>					
<b>Reserves and Surplus</b>					
Securities Premium Reserve	19,750.00				19,750.00
Capital Reduction Reserve	70,508.25				70,508.25
Revaluation Reserve	27,587.16		(22,463.43)		5,123.65
General Reserve	7,072.94				7,072.94
Retained Earnings	(103,992.75)	14,370.63			(89,622.12)
	<b>20,925.60</b>	<b>14,370.63</b>	<b>(22,463.43)</b>	<b>-</b>	<b>12,832.72</b>

Particulars	Balance at the beginning of the reporting period i.e. 1 April 2020	Total Comprehensive Income for the year	Transfer to / (from) Retained Earnings, Other Additions / Deletions	Share Application Money Received	Balance at the end of the reporting period i.e. 31 March 2021
<b>As at 31 March 2021</b>					
<b>Reserves and Surplus</b>					
Securities Premium Reserve	19,750.00	-	-	-	19,750.00
Capital Reduction Reserve	70,508.25	-	-	-	70,508.25
Revaluation Reserve	27,587.16	-	-	-	27,587.16
General Reserve	7,072.94	-	-	-	7,072.94
Retained Earnings	(112,541.19)	8,548.44	-	-	(103,992.75)
	<b>12,377.16</b>	<b>8,548.44</b>	<b>-</b>	<b>-</b>	<b>20,925.60</b>

# KUNSTSTOFFE INDUSTRIES LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

### 1. Corporate information

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

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

### 2. Basis of preparation of financial statements

#### 2.1. Statement of Compliance

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting.

#### 2.2. Basis of measurement

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

#### 2.3. Use of estimate and judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2022 are as follows:

##### 2.3.1. Property, plant and equipment:

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

##### 2.3.2. Allowance for uncollected accounts receivable and advances

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

**2.3.3.Allowances for inventories**

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

**2.3.4.Recognition of deferred tax assets and income tax**

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

**2.3.5.Recognition and measurement of other provisions**

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

**2.3.6.Contingencies**

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

**3. Functional and Presentation Currency**

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

**4. Current / non-current classification**

An entity shall classify an asset as current when-

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

Otherwise as non-current.

An entity shall classify a liability as current when-

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

Otherwise as non-current.

**5. Operating Cycle**

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

## KUNSTSTOFFE INDUSTRIES LTD.

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

### 6. Significant Accounting Policies

#### 6.1. Property, Plant and Equipment

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

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

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

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

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

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

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

#### 6.2. Financial Instruments

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

##### Financial Assets

##### Classification:

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

##### Initial recognition and measurement:

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

##### Subsequent measurement:

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

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

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

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

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

**Financial Assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):**

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

**Financial Assets measured at Fair Value through Profit or Loss ("FVTPL"):**

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

**Investment in Subsidiary:**

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

**Investment in Equity Instruments:**

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

**Investment in Debt Instruments:**

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

**Derecognition of Financial Assets:**

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

**Impairment of Financial Assets:**

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

**Financial Liabilities:****Classification:**

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

**Initial recognition and measurement:**

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

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



## KUNSTSTOFFE INDUSTRIES LTD.

### **Subsequent measurement:**

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

### **Derecognition of Financial Liabilities:**

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

### **Derivative Financial Instrument:**

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

### **6.3. Inventories**

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

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

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

### **6.4. Cash and Cash Equivalents**

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

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

### **6.5. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company is segregated.

### **6.6. Foreign Currency Transactions**

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange

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

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

#### **6.7. Revenue Recognition**

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

##### **Sale of Goods**

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

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

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

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

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

##### **Interest income**

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

##### **Income from Export Benefits and Other Incentives**

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

#### **6.8. Employee Benefit**

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered;

##### **Post-Employment Benefits**

Defined contribution plans: Company's contribution to State governed Provident Fund Scheme is recognized during the year in which the related service is rendered;

The Company has not ascertained liability towards payment of gratuity and hence no provision has been made in accounts. It is accounted for on the basis of payment.

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

## **KUNSTSTOFFE INDUSTRIES LTD.**

### **6.9. Borrowing Costs**

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

### **6.10. Lease**

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

### **6.11. Earning Per Share**

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

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

### **6.12. Income Taxes**

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

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

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

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

**6.13. Dividend to Shareholders**

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

**6.14. Provisions, Contingent Liabilities, Contingent Assets and Commitments****General**

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

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

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

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

Contingent liability is disclosed in the case of:

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

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

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

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

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

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

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

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

### 8.1. Current year

₹ in Thousands, unless stated otherwise

Particulars	Gross block (cost/deemed cost)			Accumulated depreciation/ amortisation loss			Net block
	1 April 2021	Additions	Disposals	Adjustments	31 March 2022	Disposals	31 March 2022
<b>Property, plant and equipment</b>							
Freehold Land	24,000.00	-	-	-	-	-	24,000.00
Building	9,362.34	-	-	-	222.36	-	8,052.72
Plant and Machinery	174,313.90	5,961.80	-	(22,463.43)	151,850.47	-	5,604.53
Furniture and fixtures	841.56	-	-	-	229.04	-	532.58
Office equipment	160.83	-	-	-	21.01	-	124.55
Computer	196.33	46.25	-	-	115.04	-	86.94
<b>Total</b>	<b>208,874.96</b>	<b>6,008.05</b>	<b>-</b>	<b>(22,463.43)</b>	<b>153,302.81</b>	<b>-</b>	<b>38,401.31</b>
<b>Total Property, plant and equipment , capital work-in-progress and investment property</b>							
					<b>715.46</b>		<b>154,018.27</b>
							<b>38,401.31</b>

During the year, the revaluation reserves has been reduced from the asset's revalued and is brought to its original cost

### 8.2. Previous year

Particulars	Gross block			Accumulated depreciation/ amortisation loss			Net block
	1 April 2020	Additions	Disposals	Adjustments	31 March 2021	Disposals	31 March 2021
<b>Property, plant and equipment</b>							
Freehold land	24,000.00	-	-	-	-	-	24,000.00
Building	13,312.18	-	-	(3,949.85)	4,647.05	-	8,275.07
Plant and equipment	170,907.83	3,756.06	-	(350.00)	152,326.70	(126.23)	22,463.43
Furniture and fixtures	985.84	-	-	(144.28)	320.36	-	612.52
Computer	303.61	104.16	-	(211.44)	303.61	-	81.29
Office equipment	594.95	-	-	(434.12)	445.66	-	139.83
<b>Total</b>	<b>210,104.42</b>	<b>3,860.22</b>	<b>-</b>	<b>(5,089.68)</b>	<b>158,043.39</b>	<b>349.11</b>	<b>55,572.14</b>
<b>Total Property, plant and equipment , capital work-in-progress and investment property</b>							
							<b>55,572.14</b>

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₹ in Thousands, unless stated otherwise

### 9 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Valued at lower of cost or net realisable value</b>		
Raw materials	13,845.01	18,434.36
Finished goods	1,450.05	1,223.72
	<b>15,295.06</b>	<b>19,658.08</b>

### 10 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Trade receivables (Unsecured, considered good)</b>		
Outstanding for a period exceeding six months from the date they were due for payment	-	-
Others	3,304.45	12,049.91
Less: Loss allowance	-	-
	<b>3,304.45</b>	<b>12,049.91</b>

#### Ageing Schedule

As at March 31, 2022: Undisputed trade receivables –considered good

Particulars	Period	As at 31 March 2022	As at 31 March 2021
Outstanding for following periods from due date of payment	< 6 months	3,304.45	12,049.91
	6 months - 1 year	-	-
	1 - 2 years	-	-
	2 - 3 years	-	-
	> 3 years	-	-
	<b>Total</b>	<b>3,304.45</b>	<b>12,049.91</b>

### 11 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	68.02	96.02
Balances with banks		
- Fixed Deposits	41,188.15	25,000.00
- In current accounts	19,931.32	10,464.96
	<b>61,187.48</b>	<b>35,560.97</b>

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₹ in Thousands, unless stated otherwise

## 12 Current tax assets

Particulars	As at 31 March 2022	As at 31 March 2021
Income taxes paid	8,304.77	3,965.75
	<b>8,304.77</b>	<b>3,965.75</b>

## 13 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Other than capital advances	1,666.23	851.36
Scarp value receivable	1,550.00	1,550.00
Balance with government authorities		
- Deposits	131.37	104.46
- Value Added Tax receivable	240.92	240.92
- Goods and Service tax credit receivable	-	1,038.78
Other deposits	260.35	164.10
	<b>3,848.87</b>	<b>3,949.61</b>

## 14 Deferred tax asset

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset	973.60	596.82
	<b>973.60</b>	<b>596.82</b>

## 15 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Authorised</b> 1,50,00,000 (31 March 2021: 1,50,00,000) equity shares of ₹.10/- each	150,000.00	150,000.00
<b>Issued, subscribed &amp; paid up</b> 68,90,000 (31 March 2021: 68,90,000) equity shares of ₹.10/- each	68,900.00	68,900.00
	<b>68,900.00</b>	<b>68,900.00</b>

### (i) Reconciliation of the number of Equity shares

Equity shares	As at 31 March 2022		As at 31 March 2021	
	Nos.	₹	Nos.	₹
<b>Opening number/amount of equity shares</b>	6,890,000	68,900.00	6,890,000	68,900.00
<b>Add/(Less):</b>				
Issued/forfeited during the year	-	-	-	-
<b>Closing number/amount of equity shares</b>	<b>6,890,000.00</b>	<b>68,900.00</b>	<b>6,890,000.00</b>	<b>68,900.00</b>

**(ii) Rights, preferences and restrictions attached to shares**

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

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

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

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

Class of shares / Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Nos.	% held	Nos.	% held
<b>Equity shares with voting rights</b>				
Pravin V Sheth	6,266	0.09	1,456,266	21.14
Gayatri Pipes & Fittings Pvt .Limited	650,000	9.43	650,000	9.43
Soniya P Sheth	1,966,344	28.54	499,344	7.25
Bharat Capital & Holdings Limited	1,008,088	14.63	1,008,088	14.63

**(v) Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Promoter Name	Shares held by Promoter				% Change during the year
	As at March 31,2022		As at March 31,2021		
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Pravin V Sheth	6,266	0.09	1,456,266	21.14	(21.05)
Soniya P Sheth	1,966,344	28.54	499,344	7.25	21.29
Dhwani Sheth	180	-	180	-	-
Unnati Sheth	8,812	0.13	18,655	0.27	(0.14)
Bhavesh Sheth	2,800	0.04	2,800	0.04	-
Hargovind Karsandas Vithalani	46,249	0.67	46,249	0.67	-

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Promoter Name	Shares held by Promoter				% Change during the year
	As at March 31,2021		As at March 31,2020		
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Pravin V Sheth	1,456,266	21.14	1,456,266	21.14	-
Soniya P Sheth	499,344	7.25	468,477	6.80	0.45
Dhwani Sheth	180	-	180	-	-
Unnati Sheth	18,655	0.27	372	0.01	0.26
Bhavesh Sheth	2,800	0.04	2,800	0.04	-
Hargovind Karsandas Vithalani	46,249	0.67	46,249	0.67	-

(vi) In respect of the paid up equity share capital, there is no allotment as bonus or for consideration other than cash, buyback or other movements, during the year ended 31 March 2022.



## KUNSTSTOFFE INDUSTRIES LTD.

### 16 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Securities premium account</b>	19,750.00	19,750.00
<b>Revaluation Reserve</b>		
Opening Balance	27,587.08	27,587.08
Less: Adjusted against assets ***	(22,463.43)	-
Closing Balance	5,123.65	27,587.08
<b>General reserve</b>	7,072.94	7,072.94
<b>Capital reduction reserve</b>	70,508.25	70,508.25
<b>(Deficit) Surplus in Statement of Profit and Loss</b>		
Opening balance	(103,992.75)	(112,541.19)
Add: Profit for the year	14,370.63	8,548.44
Closing balance	(89,622.12)	(103,992.75)
	<b>12,832.72</b>	<b>20,925.52</b>

\*\*\* During the year, the revaluation reserves has been reduced from the asset's revalued and is brought to its original cost

### 17 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding due to micro, small and medium enterprise	-	-
Total outstanding to creditors other than micro, small and medium enterprise	38,841.26	37,337.24
	<b>38,841.26</b>	<b>37,337.24</b>

### Ageing schedule for outstanding from due date of payment

Particulars	As at 31 March, 2022				
		MSME	Others	Disputed dues - MSME	Disputed dues - Others
Trade payables	< 1 year	-	38,841.26	-	-
	1 - 2 years	-	-	-	-
	2 - 3 years	-	-	-	-
	> 3 years	-	-	-	-
		-	38,841.26	-	-

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Particulars	As at 31 March, 2021				
		MSME	Others	Disputed dues - MSME	Disputed dues - Others
Trade payables	< 1 year	-	37,337.24	-	-
	1 - 2 years	-	-	-	-
	2 - 3 years	-	-	-	-
	> 3 years	-	-	-	-
		-	37,337.24	-	-

### 18 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employees benefit	-	-
Provision for income tax	8,136.64	4,001.64
	<b>8,136.64</b>	<b>4,001.64</b>

### 19 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Customer deposit	100.00	100.00
Statutory Liabilities		
Goods and Service Tax	2,382.90	20.05
Tax Deducted at Source	108.39	21.62
Tax Collected at Source	13.63	47.22
	<b>2,604.92</b>	<b>188.90</b>

Ratio	Current Year	Previous Year	Change %	Explanation for change > 25%
Current ratio	1.85	1.81	2.42	
Debt-Equity ratio	-	-		
Debt service coverage ratio	-	-		
Return on equity ratio	17.58	9.52	84.75	Due to increase in Net Profit.
Inventory turnover ratio	6.39	5.63	13.55	
Trade receivable turnover ratio	16.62	7.51	121.15	Decrease in Debtors and increase in turnover.
Trade payable turnover ratio	2.93	2.97	(1.29)	
Net capital turnover ratio	3.36	4.27	(21.40)	
Net profit ratio (in %)	11.27	8.85	27.26	Net profit increase more than 60%
Return on capital employed (in %)	22.15	11.08	99.92	EBITDA increase by as good as 100%
Return on investment (in %)	-	-		

## KUNSTSTOFFE INDUSTRIES LTD.

### 20 Revenue from operations

Particulars	31 March 2022	31 March 2021
Sale of products		
- Finished goods	127,561.44	96,565.88
Other operating income	-	-
	<b>127,561.44</b>	<b>96,565.88</b>

### 21 Other income

Particulars	31 March 2022	31 March 2021
Interest income		
- from banks	1,581.00	1,199.71
- from others	6.94	6.23
Miscellaneous income	-	31.69
Foreign exchange fluctuation	370.97	200.64
Rent received	1,200.00	1,200.00
	<b>3,158.91</b>	<b>2,638.27</b>

### 22 Cost of raw materials consumed

Particulars	31 March 2022	31 March 2021
Opening stock	18,434.36	10,348.33
Add: Purchases	79,755.24	71,391.88
	<b>98,189.60</b>	<b>81,740.21</b>
Less: Closing stock	13,845.01	18,434.36
	<b>84,344.59</b>	<b>63,305.85</b>

### 23 Changes in inventories of finished goods

Particulars	31 March 2022	31 March 2021
Inventories at the end of the year:		
- Finished goods	1,450.05	1,223.72
Inventories at the beginning of the year:		
- Finished goods	1,223.72	1,625.24
	<b>(226.33)</b>	<b>401.52</b>

### 24 Employee benefits expense

Particulars	31 March 2022	31 March 2021
Salaries and wages	12,007.50	11,821.05
Contributions to provident and other funds	1,115.90	855.58
Staff welfare expenses	289.03	208.50
	<b>13,412.42</b>	<b>12,885.14</b>

**Employee benefits :**

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

**Defined Contribution Plan**

The Company offers its employees defined contribution plans in the form of provident fund (PF) and Employees' pension scheme (EPS) for all employees, with the government authorities. Contributions are made to the Government administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund, contributions into the Pension fund is made only by the Company. The Company recognised ₹ 1,115.90 Thousands-. (31 March, 2021: ₹. 855.58 Thousands) The contributions are normally based on a certain proportion of the employee's salary and the contribution payable to these plans by the Company are at rates specified in the rules of the schemes.

**Defined Benefits Plan**

All defined benefit plans obligations are determined at actuals, as at the Balance Sheet date, for the amount being actually paid during the year. The classification of the Company's net obligation into current and non-current is ascertain as and when the said liability arises.

**25 Finance cost**

Particulars	31 March 2022	31 March 2021
Interest expenses	-	104.59
	-	<b>104.59</b>

**26 Other expenses**

Particulars	31 March 2022	31 March 2021
Other manufacturing expense	2,039.53	2,015.52
Power and fuel	7,711.65	6,169.67
Communication expenses	22.31	32.12
Coolie & cartage expenses	38.60	52.35
Data processing charges	-	25.95
Insurance	96.54	82.81
Auditor's Remuneration (Refer note 27 below)	120.00	100.00
Legal and professional	348.57	334.40
Listing expenses	347.76	395.22
Miscellaneous expenses	402.44	295.03
Office expenses	273.74	252.96
Postage & telegram	0.38	537.84
Printing and stationery	210.47	221.67
Rates and taxes	120.51	109.10
Repairs and maintenance	80.80	39.03
Security charges	1,320.00	1,208.36
Selling & distribution expense	958.55	160.34
Travelling and conveyance	279.43	173.96
	<b>14,371.28</b>	<b>12,206.33</b>

## KUNSTSTOFFE INDUSTRIES LTD.

### 27 Remuneration to auditors

Particulars	31 March 2022	31 March 2021
Audit fees	60.00	50.00
Tax Audit	60.00	50.00
	<b>120.00</b>	<b>100.00</b>

### 28 Earnings Per Share

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

Particulars	31 March 2022	31 March 2021
Profit attributable to equity holders for Basic EPS	14,370.63	8,548.44
Add: Dilutive effect on profit	-	-
Profit attributable to equity holders for Diluted EPS	14,370.63	8,548.44
Weighted average number of equity shares outstanding for Basic EPS	6,890,000.00	6,890,000.00
Add: Dilutive effect of outstanding number of equity shares	-	-
Weighted average number of equity shares outstanding for Dilutive EPS	6,890,000.00	6,890,000.00
<b>Basic earning per share (Amount in ₹)</b>	<b>2.09</b>	<b>1.24</b>
<b>Diluted earning per share (Amount in ₹)</b>	<b>2.09</b>	<b>1.24</b>

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

Particulars	31 March 2022	31 March 2021
<b>Total outstanding dues of micro enterprises and small enterprises(as per the intimation received from vendors)</b>		
a) Principal and interest amount remaining unpaid	-	-
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d) Interest accrued and remaining unpaid	-	-
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises</b>	<b>-</b>	<b>-</b>

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

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

## A) Relationships :

**Category I - Director and Key Managerial Personnel**

Soniya Sheth	Managing Director
Unnati P. Sheth	Chief Financial Officer
Padmini Ravindran	Company Secretary

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

Fiberweb (India) Limited  
 Stallian Breweries Limited  
 Parijat Private Limited  
 Sun Capital & Consultancy Private Limited  
 Sun Properties Private Limited  
 Star Developers Private Limited

**Category III - Others (Relative of Key Management Personnel)**

Pravin Sheth Relative and Shareholder

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

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

Particulars	31 March 2022	31 March 2021
<b><u>Compensation to Key Managerial Person</u></b>		
<b>Short Term Employee Benefit</b>		
- Soniya Sheth	4,035.00	3,930.00
- Unnati Sheth	480.00	480.00
<b>Rent paid</b>		
Pravin Sheth		
<b>Rent received</b>		
Fiberweb (India) Limited	1,200.00	1,200.00
<b>Purchase of MEIS License from</b>		
Fiberweb (India) Limited	989.96	93.07

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

## C) Amount outstanding :

Particulars	31 March 2022	31 March 2021
<b>Receivable</b>		
Fiberweb (India) Limited	589.36	236.83

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

## **KUNSTSTOFFE INDUSTRIES LTD.**

- 32** In the opinion of the Board of Directors the Current Assets, Loans & Advances except those shown as doubtful have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance Sheet.
- 33** Figures of the current year and previous year have been re-grouped / rearranged /reclassified wherever necessary.

### **The notes referred to above form an integral part of the financial statements**

As per our report of even date

**For Akshay Kirtikumar & Associates LLP**  
**Chartered Accountants**  
**Firm Registration No: 138182W/W100760**

**Akshay K. Shah**  
**Partner**  
**Membership No.: 155729**

**Place : Mumbai**  
**Date : 26 May 2022**

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

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

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

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

**Unnati P. Sheth**  
**CFO**

**Place : Mumbai**  
**Date : 26 May 2022**



## KUNSTSTOFFE INDUSTRIES LIMITED

CIN L65910MH1985PLC037998

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

Website: [www.kunststoffeindia.com](http://www.kunststoffeindia.com) Email: [kunststoffe@kunststoffeindia.com](mailto: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*		Folio No.	
Client ID*		No. of Shares held	

I/We hereby record my/our presence at the 36th Annual General Meeting of the Company being held on Wednesday, 21st September, 2022 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 / Proxy holder 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

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### 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 36thAnnual General Meeting of theCompany to be held on Wednesday, 21st September, 2022 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
<b>Ordinary Business</b>				
1	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2022 and the reports of the Board of Directors and Auditors thereon.			
2	To reappoint Ms. Soniya P. Sheth (DIN: 02658794), Managing Director who retires by rotation and being eligible offers herself for re-appointment.			
<b>Special Business</b>				
3	To approve the revision in remuneration payable to Mrs. Soniya Sheth (DIN: 02658794), Managing Director of the Company.			

Signed this..... day of .....2022.

Signature of shareholder (s).....

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

Affix 1  
Rupee  
Revenue  
Stamp

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- (2) For the Resolution, Notes, Annexures please refer to the Notice of the 36thAnnual 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

**Notes**

**Notes**

If undelivered, please return :

**LINK INTIME INDIA PRIVATE LIMITED**

Unit : Kunststoffe Industries Limited

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



## KUNSTSTOFFE INDUSTRIES LIMITED

CIN : L65910MH1985PLC037998

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

Tel:022-24082689/90Fax: 022-24044853Website:www.kunststoffeindia.com Email:[kunststoffe@kunststoffeindia.com](mailto:kunststoffe@kunststoffeindia.com)

### Ballot Form

(In Lieu of e-voting)

Name and Registered Address of the sole / first named Shareholder	
Name(s) of the Joint Shareholders(s) if any	
Registered Folio No./ DP ID No./ Client ID No.* * Applicable for holding shares in Dematerialization form	
Number of Equity shares held	

I/ We hereby exercise my/our vote in respect of the Resolutions(s) to be passed for the business stated in the Notice of **36<sup>th</sup> Annual General Meeting** of the Company to be held on Wednesday, 21<sup>st</sup> September, 2022 by conveying my/our assent or dissent to the said Resolutions(s) by placing the tick (✓) mark at the appropriate box below.

S. No.	Resolution	No. of equity shares	I/ We assent to the Resolution (For)	I/ We dissent to the Resolution (Against)
<b>Ordinary Business</b>				
1	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 <sup>st</sup> March, 2022 and the reports of the Board of Directors and Auditors thereon.			
2	To reappoint Ms. Soniya P. Sheth (DIN: 02658794), Managing Director who retires by rotation and being eligible offers herself for re-appointment.			
<b>Special Business</b>				
3	To approve the revision in remuneration payable to Mrs. Soniya Sheth (DIN: 02658794), Managing Director of the Company ( <b>Special Resolution</b> )			

Place :

Date :

Signature of Shareholders