



KUNSTSTOFFE INDUSTRIES LTD.

**28th Annual Report
2013-14**

KUNSTSTOFFE INDUSTRIES LIMITED

BOARD OF DIRECTORS

Ms. SONIYA P. SHETH – Managing Director
Mr. S. C. ASNOTKAR
Mr. BHASKAR T. IYER
Mr. S. CHACKO
Mr. UJJWALKUMAR R. JHA

AUDITORS

P.M. TURAKHIA & ASSOCIATES
Chartered Accountants, Mumbai

SOLICITORS

LITTLE & CO., MUMBAI
DIVYAKANT MEHTA & ASSOCIATES, MUMBAI

REGISTERED OFFICE

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

WORKS

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

REGISTRARS & TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.,
Unit No.1, Luthra Industrial Premises, 1st Floor,
Andheri-Kurla Road, Safed Pool, Andheri (East),
Mumbai – 400 072.

KUNSTSTOFFE INDUSTRIES LIMITED

NOTICE

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of the Company will be held on Monday, 29th day of September, 2014 at 10.00 A.M. at the Registered office of the Company at Kiran Building 128, Bhaudaji Road, Matunga (E), Mumbai- 400 019 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2014 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. C. Asnotkar (DIN: 01399862) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. P. M. Turakhia & Associates, Chartered Accountants (Registration No.111086W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

Special Business

4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provision of Section 139 and all other applicable provisions of the Companies Act, 2013 and Rules made there under and pursuant to the recommendation of Audit Committee of the Board of Directors, M/s. A. V. Jobanputra & Co., Chartered Accountants (Registration No.016352) be and are hereby appointed as Joint Statutory Auditors of the Company in addition to existing Statutory Auditor i.e. M/s. P. M. Turakhia & associates, Chartered Accountant, for a period of five years subject to ratification by the members at every Annual General Meeting, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

5. To appoint Mr. Sacarian Chacko (DIN: 06825623) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S. Chacko (DIN: 06825623), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed

as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to March 31, 2019.”

6. To appoint Mr. Ujjwal Kumar Jha (DIN: 06825669) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ujjwal Kumar Jha (DIN: 06825669), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to March 31, 2019.”

7. To appoint Mr. Bhaskar T. Iyer (DIN: 01711750) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Bhaskar T. Iyer (DIN : 01711750), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019”.

8. To appoint Mrs. Soniya P. Sheth (DIN: 02658794) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mrs. Soniya P. Sheth (DIN: 02658794) as Managing Director of the Company liable to retire by rotation for a period of 5 (five) years with effect from 27.06.2014, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mrs. Soniya P. Sheth, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

Ujjwalkumar Jha
Chairman
(DIN: 06825669)

Place: Mumbai
Date: 30th July, 2014.

Registered Office:
Kiran Building,
128 Bhaudaji Road,
Matunga (East),
Mumbai-400 019.
CIN: L65910MH1985PLC037998
e-mail: kunststoffe@vsnl.net

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Members who hold shares in dematerialised form are requested to bring their CLIENT ID AND DP ID numbers for easy identification of attendance at the meeting.
3. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Secretarial Department at the Registered Office of the Company.
4. In terms of provisions of section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. The shareholders who are holding shares in physical form and are desirous of availing this facility may kindly write to the Company's **Share Transfer Agent, M/s. Sharex Dynamic (India) Private Limited, Unit No.1, Luthra Industrial Premises, 1st Floor, Andheri-Kurla Road, Safed Pool, Andheri(East)Mumbai-400072** for nomination form quoting their folio number. Shareholders holding shares in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
5. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting are given below which forms part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

Name: Mr. S. C. Asnotkar Age: 85 years, Qualification: B. A. Nature of expertise : He is an Industrialist.

Name of companies in which he holds Directorship: None.

Name of companies in which he holds Membership/Chairmanship: Member of Share transfer cum stakeholders relationship committee, Audit and Remuneration Committee.

It will be in the interest of the company that Mr. S.C. Asnotkar continues as Director of the company.

6. The Share Transfer Books and the Register of Members of the Company will remain close from 20/09/2014 to 26/09/2014(both days inclusive).
7. The documents referred above to in any of the items of the Notice are available for inspection at the Registered Office of the Company on any working day during the business hours of the Company.

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8. 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.
9. 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.
10. 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.
11. The Equity Shares of the Company are listed at the following stock exchange:
The Bombay Stock Exchange Ltd., Phiroze Jeebhoy Towers, Dalal Street, Fort, Mumbai-400001.

The listing fee to the above exchange has been paid.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24.09.2014 at 10.00 a.m. and ends on 26.09.2014 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
	<ul style="list-style-type: none"> In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant KUNSTSTOFFE INDUSTRIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued

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in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- I. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off (record date) of 22nd August, 2014.
 - II. A copy of this notice has been placed on the website of the Company and the website of CDSL.
 - III. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
 - IV. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.kunststoffeindia.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.

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

Item No. 4

In view of increasing activities, your Board of Directors proposes to appoint M/s. A. V. Jobanputra & Co., Chartered Accountant, Mumbai as Joint Statutory Auditor of the Company for the year 2014-2015 to hold the office until the conclusion of next Annual General Meeting.

Consent from M/s. A. V. Jobanputra & Co., Chartered Accountant, Mumbai has been received certifying that their appointment, if made would be within the limits specified under Section 141(3)(g) of the Companies Act 2013 as applicable and is kept open for inspection by members at the registered office of the Company.

Existing Statutory Auditor M/s. P. M. Turakhia & Associates, Chartered Accountants, Mumbai, have conveyed their consent for the same.

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

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in this Resolution except to the extent of their shareholding in the Company, if any.

Item No. 5 & 6

Mr. S. Chacko, Age: 59 years, Qualification: B.Com. Mech. Engineer. Nature of expertise: He is Mechanical Engineer and has about 25 years of experience in the field of plastic processing & manufacturing. Name of Companies in Which he holds Directorship/Membership/Chairmanship: None.

Mr. Ujjwalkumar R. Jha, Age:49 years, Qualification:B.Com.ICWA(Inter) Nature of expertise: He has 20 years experience in Auditing, Accounting and Finance. Name of the Companies in which he holds Directorship/ Chairmanship/Membership: None.

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. U. R. Jha & Mr. S. Chacko as an Additional Director of the Company with effect from January 30, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. U. R. Jha & Mr. S. Chacko would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. U. R. Jha & Mr. S. Chacko for the office of Director of the Company. Mr. U. R. Jha & Mr. S. Chacko are not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given their consent to act as a Director.

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

The Company has received a declaration from Mr. U. R. Jha & Mr. S. Chacko that they meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. U. R. Jha possesses appropriate skills, experience and knowledge, inter alia, in the field of Accounts & Finance. Mr. S. Chacko possesses appropriate skills, experience and knowledge, inter alia, in the field of Plastic Processing & Manufacturing & finance.

In the opinion of the Board, Mr. U. R. Jha & Mr. S. Chacko fulfills the conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. U. R. Jha & Mr. S. Chacko are independent of the management.

Keeping in view their vast expertise and knowledge, it will be in the interest of the Company that Mr. U. R. Jha & Mr. S. Chacko are appointed as an Independent Director.

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

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

Save and except Mr. S. Chacko & Mr. U. R. Jha and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives