KANPUR PLASTIPACK LTD

Providing Solutions for Industrial Bulk Packaging

TRANSFORNATION

Transforming for the Nation

KANPUR PLASTIPACK LTD

ANNUAL REPORT 2016-17

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Visit our corporate website www.kanplas.com

There's the change that benefits only you. And then there's the change that betters an entire nation.

We believe in the latter.

For years, we have made the necessary tweaks, grown in skill and efficiencies, ramped up our capacities and evolved for the betterment of not just our company but our country. With the majority of our revenues arising out of exports, we have done our best in keeping to the 'Make in India' philosophy and strived further to expand our capabilities beyond our familiar borders and across the world.

Because for us, true transformation is the one that truly transforms a nation!

We offer range of bulk packaging products and solutions

Over five decades of existence, we have gradually evolved among the world's leading manufacturer of FIBCs and bulk bags. With our large production capacity and wide product basket, we provide quality products to our recognized global and national clients.

Our business mix, 2016-17



₹ 150 crore
FIBCs



₹ 24.86 crore
MFY



₹ 7.60 crore
Box Bags



₹ 0.41 crore
Solar Power



₹ 47.38 crore
Fabric



₹ 15.89 crore
Others

customised for several industries

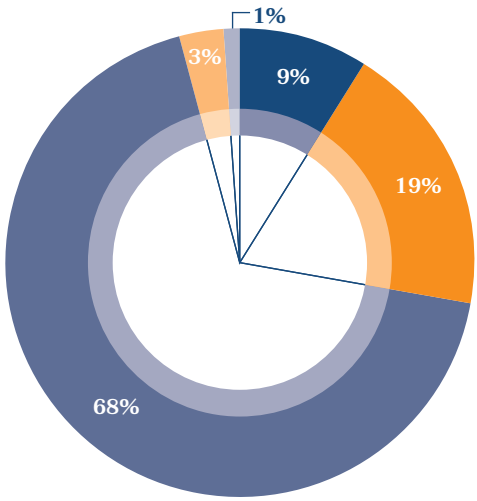
Our R&D team works tirelessly to innovate and create new products for several downstream industries. Our global clients belong to a diverse set of industries, some of them being:

- Fertilisers
- Polymer & Resin
- Animal Feed
- Flour
- Seeds
- Chemicals
- Minerals
- Sugar

to clients across the globe

We are present in global markets where our products are highly appreciated. Over the past few years we have expanded our presence in several international markets with currently being present in over 40 countries, generating 80% of our total revenue.





- North America
- South America
- Europe
- Asia
- Others

MESSAGE FROM THE MANAGEMENT

Manoj Agarwal
Managing Director

Shashank Agarwal
Deputy Managing Director



> We continue to be among the largest exporters in our segment, boost direct and indirect employment and promote 'Make in India' concept.

Dear Shareholders,

It gives us immense pleasure to write to you once again. Three years ago, we started a story. That of creating significant value for our shareholders. It began with our decision to enter into the value-added segment of the business and offer innovative products and solutions to our customers, which changed our business dynamics for good. We invested in improving our processes, hiring a more experienced team and reorienting our organisation to align with our goals. We moved away from being a generalized prototype selling company to pursuing an active interest in customized and value-added products that add merit to the business of our clients. Over the last two years, we have invested in improving much of this. It required us to rebuild ourselves as a company of global statute with highly skilled personnel, make meaningful capital investments, set-up the best of technologies and machineries and optimize cost to the minimum.

We believe that our core values of commitment to our people and adherence to the highest principles of customer satisfaction would help us in this transformation. It is a process which will be rewarding in the long run to all our stakeholders. The key to this change was to identify within ourselves the opportunities for self improvement, and in the process strengthen the organization. We have discussed elsewhere the idea of "transformation". It is the mindset of Transforming the individual by contributing to Nation building. We have remained conscious of our role in the 'Make in India' philosophy.

The year gone by

An assessment of the fiscal year that went by cannot be made without taking a stock of the economic challenges that grappled most of the developing and emerging economies in 2016.

Despite the odds, we registered a stable financial performance. We are proud of our results for the year under review; it isn't easy to emerge out stronger in a testing scenario. Our sustainable profit generation is a validation of our business model, backed by cutting-edge technology, efficient operations and prudent financial management. Many of the new initiatives that we took have started showing results, although the environment continues to be challenging.

How did we achieve these returns?

This year's return and financial performance should be seen in the context of long-term returns. During the year under review, we continued to scale our operations, develop our talent pool and invest in streamlining our systems and processes. An exercise to restructure the organisation was concluded and changes in HR policies were brought in. Several key positions at the senior level that were identified as a part of that process were filled up. Adopting improved operational practices and introducing lean manufacturing across our departments aided the exercise. This has helped us reduce our material wastages, avoid rework and improve our quality of products.

Employee development and engagement continues to be our priority. We conducted several talent development programmes to boost our team morale and engage better with our employees. An inclusive environment that promotes positivity is encouraging and crucial to business sustainability; and we tirelessly work towards it.

Everything we do is backed by our commitment towards adding value to our customers. Our teams worked closely with our end-users, helping launch some innovative customized products. Our product basket now comprises garden bag covers and water-proof products, apart from the existing range. The in-house R and D team strives to continuously improve our fabric quality and focuses on new product development to address a wider customer base.

Over the years, we have nurtured our customer relationships with proactive services and timely delivery. We have also setup a dedicated customer support team to immediately address any problems and grievances of our customers. The result: we have been successful in adding new customers and retain our existing customers.

What makes us different?

Being in the business of B2B industry with major revenue being derived through exports, we value our deep-rooted association with our distributors. From serving customers in 6 countries in 2006, today we are present in more than 38 countries, catering to over 88 customers. Quality is the cornerstone of our business growth, ensuring our products are benchmarked to global standards. Regular internal and external audits also ensure consistency and higher throughput in productivity.

We have successfully divided our business profile into three main verticals: FIBC's, Fabric and Multi Filament Yarn. Each one of these products caters to a different market segment and reaches out to different geographical regions. Not only has this helped us in diversifying our portfolio, but it has also helped us in mitigating risks associated with geo-political developments. Going forward, we hope to continue with this strategy.

What is the road ahead?

Packaging industry continues to gain prominence, as manufacturing companies continue to get traction buoyed by positive growth sentiments. Being among the leading bulk packaging companies in the world, we are excited with our future prospects. Keeping to our goals, the construction of a new unit has started at a new greenfield site in Kanpur Dehat. The idea is to consolidate operations and bring in the best practices in lay out and methods, which have affected us due to legacy issues in the past. This expansion and technological up gradation will align with our strategy of emerging as a stronger and better entity. Your company is on a threshold of a growth curve, which will not only be aided by this new facility but will also establish us in the top bracket of the business globally.

It is a certainty that many of the recent government initiatives and more particularly the historical roll out of GST will be a big positive for the Industry in the long run. India is marching towards a change in the way businesses operate. A change that we believe will make the world look upto us. I am glad that your company is well placed to take advantage of that change.

We remain committed towards our transformation, and thereby transforming the nation's pride. We continue to be among the largest exporters in our segment, boosting direct and indirect employment and promoting the 'Make in India' concept.

We would like to thank our Board for their unwavering support to drive the Company ahead and look forward to another exciting year of creating further value for our stakeholders.

Regards

Manoj Agarwal
Managing Director

Shashank Agarwal
Deputy Managing Director

A BUSINESS MODEL DESIGNED TO DELIVER VALUE

We have structured our business to ensure long-term sustainability. Founded by Mr. M.S Agarwal, Chairman Emeritus in 1971, now run ably by Mr. Manoj Agarwal, Managing Director and his son Mr. Shashank Agarwal, Deputy Managing Director, Kanpur Plastipack is today among the recognised companies for bulk packaging in the world.

Our business model is designed to understand needs of our clients and deliver products that enhance their business efficiency. We are able to achieve this through a motivated workforce and through usage of state-of-the-art technology that help us produce effective products.

Delivering products that meet client expectations transcends into long-term financial sustainability and generate value for our stakeholders. We have grown our business with right products for right markets, ensuring we deliver sustainable returns for our shareholders. We also actively engage ourselves with the community within our area of operations, supporting them to the best our abilities.

Value-creation beneficiaries



Our value-creation drivers

Experience

Our industry experience in providing solutions to industrial bulk packaging today goes over four decades. Our knowledge and expertise is valued and appreciated by our esteemed clients, helping us strengthen our market share.

30+
Years of exports

3000+
Years of accumulated person experience

Infrastructure

Our two manufacturing facilities spread across 6 acres at Kanpur, India comprise of the best technologies to produce qualitative products. Our upcoming manufacturing facility located within 12 kms of Kanpur, shall take our total capacity to over 23,000 MT by December 2018.

₹ 50 crore
Capex invested in last five years

Quality

Our broad client base across the globe makes it imperative for us to deliver products that are globally benchmarked. Our facilities are accredited with certifications at domestic and international level, creating a mark of differentiation for our products.

BRC

ISO 9001:2008

ISO 22000

HACCP

AIB

SA 8000



Customisation

We introduce products that are customized to our diverse client profile and needs. Our ability to address client requirements across the globe in a cost effective manner makes us their preferred bulk-packaging partner.

12+

Products in portfolio with different specifications



Global presence

The demand for our products are primarily driven in international countries, where industrial bulk packaging products enhance our clients automated operations. Today, we are present in more than 40 countries serving some of the renowned global multinationals.

40+

Countries of market presence

85+

Clients across the world



Financial strength

Our business sustainability is derived from our effective financial control and prudent cost management. Our stable and debt-equity ratio of 1.44 as on March 31, 2017 validates our financial stability and long-term business sustainability.

₹82 crore

Net worth as on March 31, 2017

Customer relationships

We have focused our efforts on what we do best. Our customer proposition to constantly evolve has resulted in our clients being associated with us for decades. Our growing customer profile is a testimony for our products and solutions.

8+

Average years of association
with our top 10 customers

Knowledge capital

We have continuously strengthened our brand value backed our people commitment. We make conscious efforts through enhancing people productivity and right training in technical and management skills.

800+

Team size as on
March 31, 2017

MILESTONES

1971

Pioneers in production of woven sacks in India

1983

First in India to import double needle sewing machines from Newlong, Japan

1984

First in India to set up circular looms, imported from Starlinger Austria

1986

First to export woven sacks from India

1988

Amongst first in the country to receive ISO certification for woven sacks industry

2008

Started manufacturing BRC certified Food Grade FIBCs

2010

Installed new generation looms of Starlinger Omega 1000 & Starex 1400

2011

Started manufacturing high tenacity PP Multifilament yarn on machinery imported from SML, Austria

2014

Installed green energy with a roof top Solar Power of 506 KW

2016

Adapted Lean manufacturing concept, problem solving techniques along with in-house R&D team

2017

Started construction of new plant at Kanpur, Dehat with an investment of ₹87 crore

FINANCIAL PERFORMANCE

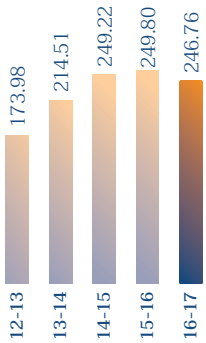
A quick glance

(Figures for 2016-17)

₹ 247 crore	₹ 14.27 crore	₹ 33.48 crore	15,505 MT
Revenue	PAT	EBIDTA	Production capacity
17 %	15.37 %	₹ 69	₹ 200 crore
Return on capital employed	Dividend payout ratio	Book Value Per share	Market Cap as on 31st March, 2017

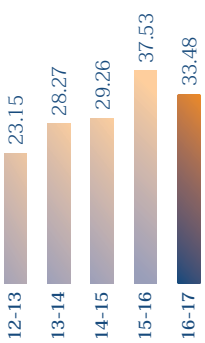
Key financial matrices

Income from operations



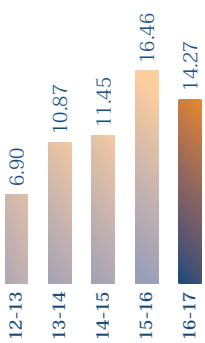
₹ in crore

EBIDTA



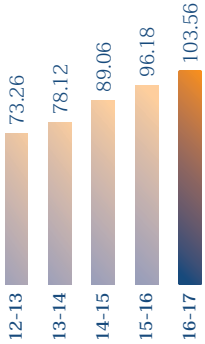
₹ in crore

Profit after tax



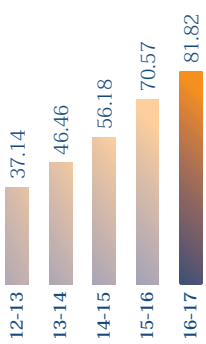
₹ in crore

Gross block



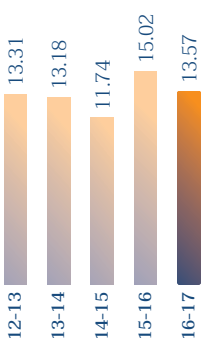
₹ in crore

Net worth



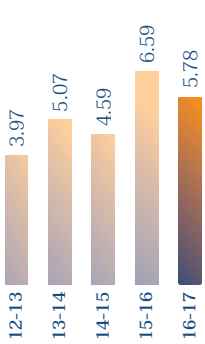
₹ in crore

EBIDTA margin



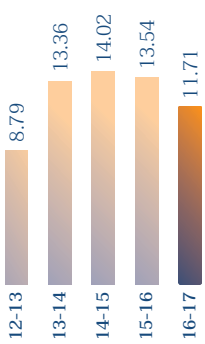
%

PAT margin



%

Earnings per share



₹

PROFILE OF BOARD OF DIRECTORS

Shri Mahesh Swarup Agarwal

Chairman Emeritus

Mahesh Swarup Agarwal is the founder of the Company, successfully guiding its operations for the past 46 years. His astute leadership and foresight has helped the Company to sustain its growth over the years. He was the President of Merchants Chamber of Uttar Pradesh in 2004-05 and was awarded the 'President's Salute' by the Rotary International President for his outstanding contribution to community service, in 1991. He was also Founder President of Plastic Woven Sacks Manufacturers Association (All India) from 1986 to 1988 and also President of Panki Industry Association from 1976 to 1986. He has been honored with the prestigious 'Lifetime Achievement Award' from AIFTMA and TiE UP.

Shri Manoj Agarwal

Managing Director

He holds a Masters in Management Studies from BITS, Pilani and has been guiding the Company's Operations over 39 years now. Under his able leadership the Company's operations have improved considerably from an annual turnover of ₹100 Crores in the year 2009-10 to the present around ₹250 Crores. He has been the past Chairman of the Plastics Export Promotion Council, past President of Indian Flexible Intermediate Bulk Container Association and is actively involved in a number of professional and social bodies.

Shri Shashank Agarwal

Deputy Managing Director

He graduated in Manufacturing Engineering and Operations Management from the University of Nottingham, UK and has been instrumental in streamlining the Company's operations with backward integration and product diversification. He has brought various improvements in the production and marketing strategies, which have considerably improved the Company's performance. Today, he has his vision set higher to evolve the enterprise into one of the world's top FIBC producers.

Shri Sunil Mehta

Executive Director

He is a B. Tech (Textile Technology) from TIT, Bhiwani and has over 25 years of experience in the woven sacks industry. He joined the Company in the year 2002 as Vice President, since then, with his dedicated and able leadership, the manufacturing operations of the Company have greatly improved to world-class levels and standards today.

Smt. Usha Agarwal

Woman Director

She is the woman Director of the Company. She holds an Honors Graduate in Botany from the University of Calcutta and has gained experience in administration. She has also contributed actively in the marketing department of the Company for about six years and her vast expertise and knowledge has been beneficial for the growth of the Company.

Shri Sobhagya Mal Jain

Independent Director

He was the Finance Director and CMD at Fertilizers and Chemicals Travancore Limited and Finance Director of Indian Farmers Fertilizers Cooperative Limited, Delhi. He retired as CMD of Paradeep Phosphates Limited in the year 1996. He brings with him a rich and valuable experience in public sector undertakings where he was instrumental in turning around loss making units.

Shri Prem Singh Khamesra

Independent Director

He is the founding partner of Khamesra Bhatia & Mehrotra and has practiced for 26 years (from 1979 to 2005) as a Chartered Accountant, providing financial consultancy to businesses. He was Director Finance of Mirza International Limited from 2005 to 2008 and was a Government Nominee on the Board of UP Financial Corporation during 2002-03.

Shri Subodh Kumar

Independent Director

He is an Engineering Graduate (Honors) from Birla Institute of Technology, Mesra, and has over 30 years of rich technical experience. He is a retired Executive Director of LML Limited and has also worked with Eicher Tractor Ltd and JK Synthetics Ltd. He has vast and diversified experience in various prestigious organizations in the field of technology, research and development, new product induction, setting up ancillary units and quality control.

Dr. Ram Gopal Bagla

Independent Director

He is a Mechanical Engineer (Honors) from Bombay University. He retired as the Group Executive President of the JK Cement Group and was also the Chief Executive Officer of JK Rayon. He is a past President of the Merchants Chamber of UP, Kanpur Management Association and Kanpur Productivity Council. He is also actively associated with a number of professional and social bodies.

Shri Akshay Kumar Gupta

Additional (Independent) Director

He is a Practicing Charted Accountant with over 35 years of experience as the founder partner of Mittal Gupta & Company. He has been professionally active in the Institute of Chartered Accountants of India as a Member of its Central Council contributing as a Chairman and Member of a number of its Committees. A Past President of the Kanpur Chartered Accountants Society, Member Fiscal Law Committee of Merchants Chambers of Uttar Pradesh, Member of Funds Management Committee of IIT, Kanpur are only some of his credentials. He has a number of technical articles and publications to his credit.

CORPORATE SOCIAL RESPONSIBILITY

We recognise that business activities have wide impact on the society in which it operates and therefore, at Kanpur Plastipack we have an effective CSR module concentrated towards promoting healthcare / medical activities and educational needs for the poor. A detailed report is given as an annexure in the statutory reports of this Annual Report.



Shri Manoj Agarwal, (MD) is giving laptop to IIT Student



Health checkup camp



Clinic at Nauriya Kheda

AWARDS

During the year the Company got appreciation from New and Renewable Energy Development Agency, Govt. of UP for its solar power initiative. The Company was also awarded with Niryat Shree Silver trophy by Federation of Indian Export Organisation.



Certificate of New and Renewable Energy Development Agency, Govt. of UP



Federation of Indian Export Organisation Silver Trophy to KPL

CORPORATE INFORMATION

Board of Directors

Chairman Emeritus

Mahesh Swarup Agarwal

Managing Director

Manoj Agarwal

Independent Directors

Sobhagya Mal Jain
Prem Singh Khamesra
Subodh Kumar
Ram Gopal Bagla
Akshay Kumar Gupta

Whole Time Directors

Sunil Mehta
Shashank Agarwal

Woman Director

Usha Agarwal

Company Secretary & Compliance Officer

Ankur Srivastava

CFO

Arvind Gunjan

Auditors

Pandey & Company
Chartered Accountants
Kanpur

Secretarial Auditors

Adesh Tandon & Associates
Company Secretaries
Kanpur

Bankers

State Bank of India

Registrar and Share Transfer Agent

Skyline Financial Services Pvt. Ltd.
D-153/A, 1St Floor,
Okhla Industrial Area, Phase -I,
New Delhi-110 020

Registered Office

D-19-20, Panki Industrial Area,
Kanpur-208 022

Manufacturing Units

D-19-20, Panki Industrial Area,
Kanpur-208 022

A-1, A-2, Udyog Kunj, Site V,
Kanpur-208 022

D-6, Panki Industrial Area, Site II,
Kanpur-208 022

79A, Co-Operative
Industrial Estate, Dada Nagar,
Kanpur-208 022

STATUTORY REPORTS



☆ NOTICE ☆

NOTICE is hereby given that the FORTY- SIXTH ANNUAL GENERAL MEETING of Members of M/S KANPUR PLASTIPACK LIMITED will be held at its Registered Office at D-19-20, Panki Industrial Area, Kanpur – 208 022 on Friday, the 15th day of September, 2017 at 12:00 Noon to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of Auditors and Directors thereon;

2. To consider declaration of Dividend;

3. To appoint a Director in place of Shri Mahesh Swarup Agarwal, who retires by rotation and being eligible, offers himself for re-appointment;

4. To appoint M/s Rajiv Mehrotra & Associates (FRN: 002253C), Chartered Accountants as the Statutory Auditors of the Company for a consecutive period of five years from the conclusion of ensuing Annual General Meeting till the conclusion of 51st Annual General Meeting to be held in the year 2022 and to fixed their remunaration and in this connection, 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 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s Rajiv Mehrotra & Associates (FRN: 002253C), Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company for a consecutive period of five years from the conclusion of ensuing Annual General Meeting till the conclusion of 51st Annual General Meeting to be held in the year 2022 subject to the ratification of members every year at such remunaration as the Board of Director may deside."

   "RESOLVED FURTHER THAT Shri Manoj Agarwal, Managing Director (DIN: 00474146) (residing at 4/283/2, Vishnupuri, Kanpur-208002) and Shri Ankur Srivastava, Company Secretary of the Company(PAN: BRLPS0830B) (residing at 200 MIG, Hemant Vihar, Sector-4, Barra-2, Kanpur-208027) be and are hereby jointly and / or severally authorised to sign, seal, execute and deliver all necessary intimation and file necessary forms to the Registrar of Companies and to do all such acts, deeds and things as may deemed necessary, expedient and desirable to give effect to the above resolution."

Special Business:

5. 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 together with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Akshay Kumar Gupta (DIN: 00004908) who was appointed as Additional Director w.e.f. 15.09.2016 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 upto 31.03.2021, not liable to retire by rotation."

"RESOLVED FURTHER THAT Shri Manoj Agarwal, (DIN: 00474146) (residing at 4/283/2, Vishnupuri, Kanpur-208002) Managing Director and Shri Ankur Srivastava, (PAN: BRLPS0830B) (residing at 200 MIG, Hemant Vihar, Sector-4, Barra-2, Kanpur-208027) Company Secretary of the Company be and are hereby jointly and / or severally authorised to do all such acts, deeds and things as may deemed necessary, desirable and expedient to give effect to the above resolution."

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 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), the consent of the members of the company be and is hereby accorded to re-appoint Shri Manoj Agarwal (DIN:00474146) as the Managing Director of the Company for a further period of 3 year w.e.f., from 1st September, 2017 to 31st August, 2020, as recommended by the Remuneration and Nomination Committee on the following Terms and Conditions:

I. Remuneration : ₹4,00,000/- ₹30,000/- ₹4,60,000/- per month.

II. Perquisites : Perquisites shall be allowed in addition to salary as under. However these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter:

III. Commission : 3% of Net Profits of the Company (payable annually).

i) The Company shall provide him unfurnished accommodation and in lieu of the same company shall deduct seven and half percent of basic salary from the monthly salary payable to him. The Company shall also provide such furniture and furnishing as may be required by the Managing Director. Further the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.

ii) Reimbursement of actual medical expenses incurred for self and family in India and / or abroad including hospitalization , subject to a ceiling of one month's salary in a year or three months' salary over a period of 3 years.

iii) Leave Travel Concession for self and family once in a year to any place in India or abroad subject to ceiling of one month's salary.

iv) Fees of club subject to maximum of two clubs. No admission and life membership fee will be paid.

v) Personal Accident Insurance of an amount, the annual premium of which shall not exceed ₹12,000/-

vi) Company's contribution towards Provident Fund as per the Rules of the Company but not exceeding limits as prescribed under the Government regulations from time to time.

vii) Company's contribution towards Superannuation Fund as per the rules of the Company but it shall not together with the Company's contribution to Provident Fund exceed 25% of the salary. Contribution to Provident Fund and Superannuation Fund not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

viii) Gratuity as per the rules of the Company but shall not exceed half month's salary for each completed year of service.

ix) Encashment of leave at the end of tenure of service will not be included in the computation of the ceiling on perquisites.

x) He will not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committees thereof.

xi) He will be entitled to free use of Company's Car with driver for official as well as for personal purpose.

xii) The Company shall provide him mobile phone and telephone and other communication facilities at residence and these further will not be considered as perquisites.

"RESOLVED FURTHER THAT in the event of overall managerial remuneration exceeding 11% of the Net Profit in any financial year, the commission / performance incentive payable to all Whole Time Directors shall be reduced proportionately in order to remain within the limits as prescribed under Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year the remuneration payable to Shri Manoj Agarwal by way of salary, allowances, perquisites and commission shall not exceed the maximum limits as prescribed under proviso to Table A of Section II (Part II) of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT Shri Shashank Agarwal (DIN: 002790029), (residing at 4/283/2, Vishnupuri, Kanpur-208002) Deputy Managing Director and Shri Ankur Srivastava, (PAN: BRLPS0830B) (residing at 200 MIG, Hemant Vihar, Sector-4, Barra-2, Kanpur-208027) Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds and things as may deemed necessary, expedient and desirable to give effect to the above resolution."

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 INSTEAD OF HIMSELF/HERSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

2. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.

3. 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.

4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. A statement pursuant to section 102(1) of the Companies Act, 2013 relating to the special businesses to be transacted at the Annual General Meeting is annexed hereto.

7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company.

8. The Register of Members and Share Transfer Books of the Company shall remain closed from 9th September, 2017 to 15th September, 2017 (both days inclusive). The entitlement to dividend on shares, if declared, will be determined on the basis of names registered in the Register of Members of the Company after giving effect to the valid share transfers in physical form lodged with the Company on or before 8th September, 2017 and the beneficial owners as per the Beneficiary List at the close of the business hours on 8th September, 2017 as provided by NSDL and CDSL.

9. The members are hereby informed that the Company has transferred the amount of unpaid dividend for the year 2008-09, which remained unpaid over a period of 7 years, to the Investor Education and Protection Fund (IEPF) constituted under Section 125 of the Companies Act, 2013. It is pertinent to mention that no claim of investors shall lie against IEPF. The details of unpaid dividend are as follows :-

S. NO.	Dividend Year	Unpaid Balance as on 31/03/2017 (In ₹)
1.	2009-10	3,26,820.00
2.	2010-11	3,36,758.00
3.	2011-12	5,14,739.00
4.	2012-13	5,24,315.00
5.	2013-14	6,41,983.20
6.	2014-15	6,91,939.20
7.	2015-16 (Interim)	6,56,456.40
8.	2015-16	3,41,992.20

Investors are advised to send all un-encashed dividend warrants pertaining to the years shown above to the Company for revalidation. It is further informed that unclaimed/ unpaid dividend pertaining to the Financial Year 2009-10 will become due for transfer to Investor Education and Protection Fund (IEPF) on 28.10.2017.

10. Pursuant to the provisions of Section 124(6) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), 'Equity Shares', on which Dividend has not been claimed for a continuous period of 7 years, will be transferred to Investor Education and Protection Fund (IEPF) Suspense Account constituted under Section 125 of the Companies Act, 2013. It is pertinent to mention that no claim shall lie against the Company, though Shareholders have the right to claim the underlying shares from IEPF Suspense Account in the manner prescribed in the IEPF Rules.

11. Company has served notices to the individual shareholders whose shares are liable to be transferred to IEPF Suspense Account. However, the Ministry is under process to notify the timeline and process for such transfer. The underlying shares will be transferred to the IDPF Suspense Account as soon as the Ministry issue notification in this regard. Therefore, shareholders are requested to please claim their unpaid dividend for earlier years.

12. Members who have multiple folios with identical order of names are requested to intimate to the Company those folios to enable the Company to consolidate all shareholdings into one folio.

13. Members having any query (ies) relating to this Annual Report are requested to send their questions to Registered Office of the Company at least 7 days before the date scheduled for Annual General Meeting.

14. Members who hold shares in physical form are requested to intimate to the Company Bank mandate under the signature of Sole/first named joint shareholder specifying Bank's name, Name and Address (with PIN No.) of the Branch, Account Type - Saving (SA) or Current (CA), Account No.

15. In case of physical transfer or transmission of shares, copy of PAN Card of the transferee is mandatory.

16. Investors holding shares in physical form are advised to opt for Electronic Clearing System (ECS) to avail fast and safe remittance of dividend. A photocopy of a leaf of your Cheque book bearing your Account Number may also be sent along with mandate.

17. Electronic copy of the Annual Report is being sent to all Members whose email IDs are registered with the Company / Depository Participants (DP) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode. In case you wish to get a physical copy of the Annual Report, you may send your request to secretary@kanplas.com mentioning your folio/DP ID and Client ID. Annual Report is also available on the website of the Company at www.kanplas.com.

18. Members holding shares in physical mode are requested to register their email IDs with the Company or its Registrar & Share Transfer Agents, M/s Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase –I, New Delhi -110020 and Members holding shares in demat mode are requested to register their email ID's with their respective Depository Participants (DP) in case the same is still not registered.

19. Members are also requested to notify any changes in their email ID or Bank Mandates or address to the Company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Company. In respect of holding in electronic form, Members are requested to notify any change of email ID or Bank mandates or address to their Depository Participants.

20. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

21. Members / Proxies / Authorised Representatives are requested to bring attendance slip duly filled along with their copies of Annual Report in the meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

22. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.

23. **Members are requested to fill and send Feedback Form provided in the Annual Report to register / update their e mail id.**

24. All material documents are open for inspection by the members on all working days at the Registered Office of the Company till the conclusion of the Annual General Meeting.

25. Details of Directors who are proposed to be appointed / reappointed, nature of their expertise in specific functional areas, names of memberships / chairmanships of Board or Committees thereof, shareholding and relationships between directors inter-se as stipulated under Regulation 34(3) of SEBI (LODR) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.

26. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, your Company is providing remote e-voting facility to all its members to exercise their right to vote electronically on items mentioned in this Notice. Notice, e-voting form along with the detailed procedure of e-voting are being sent by electronic mode to all the shareholders whose email ids are registered with the Company unless a shareholder has requested for a hard copy of the same. For shareholders who have not registered their email ids with the Company, physical copies of the aforesaid documents are being sent by the permitted mode. The said details are also available on the website of the Company www.kanplas.com.

27. The facility for voting, either through electronic voting system or ballot or Polling Paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

28. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitle to cast their vote again..

Explanatory Statement Pursuant to Section 102(1) of The Companies Act, 2013.

ITEM NO. 5:-

Pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and to further strengthen the Board of Directors, on the recommendation of Nomination and Remuneration Committee, your Directors have appointed Shri Akshay Kumar Gupta (DIN: 00004908), as an Additional Director of the Company w.e.f. 15.09.2016. Your Company has received a

notice in writing from a member along with a deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Akshay Kumar Gupta for the office of Director of the Company. Shri Akshay Kumar Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. It is proposed, as recommended by Nomination and Remuneration Committee of the Board, to appoint Shri Akshay Kumar Gupta as an Independent Director of the Company to hold office for 5 (five) consecutive years upto 31.03.2021, not liable to retire by rotation."

The Company has received a declaration from Shri Akshay Kumar Gupta that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. He possesses appropriate skills, experience and knowledge and in the opinion of the Board, he fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement.

Shri Akshay Kumar Gupta aged about 59 years is a renowned Charted Accountant having 35 years experience of Practice. He is the Member of many professional bodies. Shri Akshay Kumar Gupta does not hold any shares of the Company.

Other Companies Directorship:

1. **Kapareva Development Pvt. Ltd.**

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company to appoint him as an Independent Director. Copy of the draft letter of appointment of Shri Akshay Kumar Gupta as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Your Directors recommend passing of the above resolution as an Ordinary Resolution.

ITEM NO. 6:

The Board of Directors of your Company, at their meeting held on 31st July, 2017 has, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to the approval of shareholders, re-appointed Shri Manoj Agarwal as Managing Director for a period of 3 years w.e.f. 1st September, 2017 at the remuneration as recommended by the Nomination and Remuneration Committee of the Board.

The approval of shareholders is required for the re-appointment of Shri Manoj Agarwal as Managing Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment and remuneration payable to Shri Manoj Agarwal as Managing Director are recommended by the Nomination and Remuneration Committee and mentioned in resolution no. 6.

Shri Manoj Agarwal holds 914818 equity shares of the Company. He holds directorships in following Companies:

Other Companies Directorship:

1. KPL Packaging Pvt. Ltd.
2. MSA Investment & Trading Co. Pvt. Ltd.
3. KSM Exports Ltd.
4. The Plastics Exports Promotion Council
5. Indian Flexible Intermediate Bulk Container Association

Shri Manoj Agarwal satisfies all the conditions as set out in Part-II of Schedule V and Section 196(3) of the Companies Act, 2013 for being eligible for re-appointment. He is not disqualified from being re-appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Manoj Agarwal under Section 190 of the Act.

Shri Manoj Agarwal a Management Graduate, Managing Director has been guiding the Company's operations for about 40 years. Under his able leadership, the Company's operations have improved considerably from an annual turnover of about ₹100 Crores in the year 2009-10 to the present turnover which has reached to about ₹250 Crores with profits after tax from about ₹2.5 Crores to about ₹14 Crores. With his efforts there has been tremendous growth of the value added export products which is the back bone of the Company's operations.

Memberships / Chairmanships of Board Committees, shareholding and relationships amongst Directors' inter-se as stipulated under Regulation 34 of Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report.

Shri Mahesh Swarup Agarwal, Smt Usha Agarwal and Shri Shashank Agarwal being relatives and Shri Manoj Agarwal being himself may be deemed to be interested in the resolution set out at item No. 6. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Your Directors recommend passing of above resolutions as Special Resolution.

By order of the Board of Directors

For **Kanpur Plastipack Ltd.**

Place: Kanpur
Date 31st July, 2017

Ankur Srivastava
Company Secretary

Other General Information:

i) The Company is mainly engaged in manufacturing of HDPE/ PP Fabric, Sacks, FIBC Bags and Multi Filament Yarn (MFY). The turnover of the Company and its financial performance during last 3 years have been as under :

(₹ In Lacs)

Year	Sales & Other Income	Operating Profit	Net Profit after Tax
2016-17	24676	2929	1427
2015-16	24963	3753	1646
2014-15	24922	2927	1145

ii) The Export performances of the Company are ₹18582 Lacs, ₹20337 Lacs and ₹19784 Lacs during 2014-15, 2015-16 and 2016-17, respectively.

iii) There is no foreign investment or collaborators.

iv) Shri Manoj Agarwal, is the son of Shri Mahesh Swarup Agarwal and father of Shri Shashank Agarwal. Smt. Usha Agarwal is the wife of Shri Manoj Agarwal.

v) Shri Manoj Agarwal does not have any pecuniary relationship with the Company except as shareholder and as an employee.

vi) Shri Akshay Kumar Gupta does not have any pecuniary relationship with the Company except to the extent of sitting fees received for attending the board and committee meetings.

vii) The background and other details of Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal and Shri Akshay Kumar Gupta are provided in the Corporate Governance Report forming part of the Annual Report.

viii) The past remuneration of Shri Manoj Agarwal was ₹3,60,000/- p.m. plus other perks.

ix) In the industry, it is a normal trend of providing remuneration to the Chief Executives about ₹50 Lacs plus other perks and commission linked with the profits of the Company. With the exemplary efforts of Shri Manoj Agarwal, performance of the Company has remarkably improved and their proposed remuneration does not exceed the industry norm.

x) The Company has earned profits after tax to the tune of ₹1427 Lacs during the financial year ended 31/03/2017 and as such having a sound profitability which is expected to increase in future. The phrase "inadequate profits" is only indicative that whenever the salary payable to the managerial personnel exceeds the limits provided by section 197 of the Companies Act, 2013 and therefore, the provisions of section II of part II of Schedule V of the said act become applicable

By order of the Board of Directors

For **Kanpur Plastipack Ltd.**

Place: Kanpur
Date 31st July, 2017

Ankur Srivastava
Company Secretary

Route map of venue of Annual General Meeting:

Kanpur Plastipack Limited, D-19-20, Panki Industrial Area, Kanpur-208022



Dear Members,

Your Directors are pleased to present their Fourty Sixth Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2017.

Financial Highlights:

(₹ in Lacs)

Particulars	2016-17	2015-16
Sale of products	24551.40	24861.18
Other Income	124.54	118.91
Total Income	**24675.94**	**24980.09**
Profit Before Tax	2279.43	2576.13
Less: Current Tax	773.00	785.00
Less: Deferred Tax	79.35	145.54
Net Profit After Tax	1427.08	1645.59
Less: Appropriations:		
Transfer to General Reserve	-	30.00
Interim Dividend	-	95.51
Proposed Equity Dividend	214.90	47.76
Dividend on Preference Shares	24.00	24.00
Tax on Dividend	48.65	34.07
Balance carried to Balance Sheet	1139.53	1414.25

Review of Operations:

Fiscal 2016-17 proved to be a challenging year due to continued global economic sluggishness and uncertainties which affected the industries worldwide. The year under review was dedicated towards operational excellence. Your Company had implemented Lean Management Structure which has resulted into reduction in time taken to produce a bag. The outcome of this exercise will further improve the performance of the Company.

The Roof Top Solar power system has been gradually stabilizing and during the year under review around 5,30,000 Lacs units of solar energy were produced reducing the carbon foot print by 8.80 Lacs Kg.

The trading activities as Del Credere Associate Cum Consignment Stockist of Indian Oil Corporation Limited (IOCL) have stabilized and performing well. Sluggishness arising out of the demonetization has picked up during the last quarter.

Bonus Issue:

During the year your Company has issued 39,79,624 equity shares as fully paid up Bonus Shares in the ratio of 1:2 i.e. one equity share for every existing two equity shares held consequently, the paid up equity shares have been increased from 79,59,247 to 1,19,38,871 shares. The increased shares have also got listed and trading approval of Bombay Stock Exchange has been obtained.

Dividend:

Your Directors have recommended a final dividend @ 1.80 per Equity Share for the financial year 2016-17 on increased capital. Dividend on Preference Shares was declared @ 12% for the financial year 2016-17 according to the terms of their issue.

Prospects:

Your Company continues to work on technological upgradation and innovation. It has undertaken a substantial major Greenfield project at a new premises at Gajner Road, Fatehpur Roshnai District, Kanpur Dehat. This will add about 410000 sq. ft. of new world standard factory space. This new project will be instrumental in substantial expansion of the existing capacities and consolidation of operations. The new capacities will come into effect in FY 18-19.

The management continues to lay emphasis on exports of value added products and expanding the geographical reach of its export market is your Company's priority. The outlook for the current financial year looks robust and positive. The management is hopeful of improving its profitability.

Deposits:

Your Company has taken Deposits from Corporates, Directors, Promoters and their relatives. The outstanding balance of which is ₹247.00 Lacs as on 31/03/2017. In view of Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 all the deposits held by the Company are exempted deposits.

Directors:

Shri Mahesh Swarup Agarwal is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. In view of the valuable guidance and support received from him, your Directors recommend his re-appointment.

Shri P. K. Goenka resigned w.e.f. 29.07.2017 due to health issues. The Board places on record its appreciation and acknowledge the valuable contribution of Shri Goenka during his tenure.

During the year, Shri Akshay Kumar Gupta was appointed as an Additional Director (Independent) w.e.f. 15th September, 2016. His regularization is placed before the shareholders at the ensuing Annual General Meeting for a consecutive period of five years till 31.03.2021.

Further, the Board of Directors have re-appointed Shri Manoj Agarwal as Managing Director on fresh terms as recommended by the Nomination and Remuneration Committee, subject to the approval of shareholders at the ensuing Annual General Meeting, for a period of 3 years w.e.f. 1st September 2017.

Meetings of The Board of Directors:

During the year your Company has conducted 6 meetings of the Board of Directors. The details of the meeting of the Board & Committees thereof including attendance therein are given under Corporate Governance Report.

Key Managerial Personnel:

Consequent to the resignation of Shri Avinash Kumar Singh, your Company has appointed Shri Ankur Srivastava as the Company Secretary w.e.f. 15th September, 2016. He earlier also was associated with the Company as Company Secretary. Following are the Key Managerial Personnel of your Company:

Sl No.	Name of KMP	Designation
1	Shri Manoj Agarwal	Managing Director
2	Shri Ankur Srivastava	Company Secretary & Compliance Officer
3	Shri Arvind Gunjan	Chief Financial Officer

Declaration of Independent Directors:

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Corporate Governance:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). The report on Corporate Governance and Management Discussion and Analysis Report as stipulated under the Listing Regulations are annexed to the Annual Report as Annexure 'A' which forms part of this Report. The Certificate certifying that the Company has complied with the requirements of Corporate Governance in terms of SEBI (LODR) Regulations, 2015 is attached and forms the part of this Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2016-17 are annexed as Annexure 'B' which forms part of this Report.

Particulars of Employees:

The information required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 'C' which forms part of this Report.

No employee of the Company is covered under any of the clauses of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 are furnished in Annexure 'D' and is attached to this Report.

Listing:

The Equity Shares of Company continue to be listed at Bombay Stock Exchange. We confirm that the Annual Listing Fees for the financial year 2017-18 has been paid within the stipulated time.

Auditors:

i. Statutory Auditors and their Report

M/s Pandey & Co., Chartered Accountants, were appointed as Statutory Auditors of your Company for a period of 3 years in the Annual General Meeting held on 10/09/2014. Their tenure is expiring at the ensuing Annual General Meeting. The existing Auditors have also completed the maximum tenure as prescribed under Section 139(1) of the Companies Act, 2013. Accordingly, on the recommendation of Audit Committee, the Board of Directors have recommended the appointment of M/s Rajiv Mehrotra & Associates (FRN: 002253C), Chartered Accountants as the new Statutory Auditors of your Company for a period of five years from the conclusion of ensuing Annual General Meeting till the conclusion of 51st Annual General Meeting to be held in the year 2022, subject to the ratification of members every year. The Company has received a certificate from the above Auditors to the effect that if they will be appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

There was no qualification, reservation or adverse remark made by the Auditors in their respective report.

ii. Cost Auditors

In view of the Companies (Auditor's Report) Order, 2015, Cost Audit is not applicable on your Company.

iii. Secretarial Auditors

The Company has appointed M/s Adesh Tandon & Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company for the year 2016-17. The Secretarial Audit Report, as placed by the Auditor is annexed with this Report as Annexure 'E'. There was no qualification, reservation or adverse remark made by the Auditor in their respective report.

iv. Internal Auditors:

The Company has appointed M/s SKVA & Co., Chartered Accountants as the Internal Auditors of the Company for the year 2016-17. Their report is placed before the Audit Committee of the Company from time to time.

Internal Control System and Their Adequacy

The Company has adequate system of internal control with reference to the financial statements. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Company ensures proper and adequate systems and procedures commensurate with its size and nature of its business.

Corporate Social Responsibility

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 the Board of Directors of your Company has constituted a CSR Committee the details of which are given in Corporate Governance Report. CSR Committee of the Board has developed a CSR Policy which is enclosed as part of this report Annexure-'F'.

Annual report on CSR as required under rule 8(1) of the Companies (Corporate Social Responsibility) Rules, 2014 is annexed with this report as Annexure 'G'.

Particulars of Loans, Guarantees or Investments

Your Company has not made any Loan or given any Guarantees and the details of investments are given under note 15 of the Financial Statements. However, the investments made does not exceeds the limits as prescribed under Section 186 of the Companies Act, 2013.

Vigil Mechanism (Whistle Blower Policy)

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulations 34 (3) and 53 (f) of SEBI (LODR) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud

or violation of the Company's code of conduct or ethics policy has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

Risk Management

The Company follows the risk management policy wherein the management keeps an eagle eye view on the markets, both domestic and foreign, related to the products, the Company manufactures and the raw materials required. The management also monitors the socio-economic changes worldwide and the changes in the currency fluctuation to minimize the risks.

The Board members are regularly informed about the potential risks, their assessment and minimization procedures. The Board frames a plan for elimination / minimization of the risk and further lays out the steps for implementing and monitoring of the risk management plan.

There are no risks which in the opinion of the Board are of the nature that can threaten the existence of the Company. However, the risks inter-se that are generally dealt in regular course of business and have to be taken care of are fluctuations in foreign exchange rates and raw material prices.

Material Changes and Commitments :

No material changes or commitments which may affect the financial position of the Company has been occurred between the end of the financial year of the Company and the date of this report.

Indian Accounting Standards:

Your Company has adopted Indian Accounting Standards ('Ind- AS') with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015. The implementation of IND-AS in 2017 will be a major change in the accounting policy from 2017-18 onwards and the Company is well positioned to ensure a smooth transition.

Board Evaluation:

The Board annually evaluates its performance as well as the performances of its Committees and of Directors individually.

For evaluating the performance of the Board as a whole, the Board reviews the periodical performances of the Company and the role of the Board towards achievement of the said performances and the future plans as set out from time to time.

The performance of the Whole Time Directors is evaluated by the Board by linking it directly with their devotion towards implementation and management of the growth parameters of the Company and the actual achievements of the Company.

The performance of the Non Executive / Independent Directors is evaluated on the basis of their contribution for adopting better corporate governance practices, transparency and disclosures in achieving the goal of the Company.

The performance of the various Committees of the Board is reviewed on the basis of the achievement of the work designated to the specific committee.

Related Party Transactions:

During the year no contract or arrangement was entered by the Company in terms of the provisions of Section 188(1) of the Companies Act, 2013.

All the transactions with the related parties entered during the year 2016-17 were in the ordinary course of business, on arm's length basis and are under omnibus approval granted by the Audit Committee.

Further, no material related party transaction was entered during the year under review. Accordingly, disclosure as required under section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in form AOC-2, is not applicable in your Company.

The policy to deal with the related party transactions is uploaded on the company's website. The weblink of the same is http://kanplas.com/wp-content/uploads/Policy-on-Related-Party-Transactions.pdf.

Companys' Policy on Directors' Appointment and Remuneration:

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. The Company has duly constituted the Nomination and Remuneration Committee of the Board and the committee interalia periodically evaluates:

1. The need for change in composition and size of the Board;
2. Recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance.

3. Recommend the policy for remuneration of Directors, KMPs & other senior level employees of the Company and review the same in accordance with the performance of the Company and industry trend.

The Remuneration Policy is annexed herewith as Annexure 'H' which forms part of this report.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the going Concern Status and Company's Operations in Future.

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Directors' Responsibility Statement:

Pursuant to clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that: -

i) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period;

iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the Directors had prepared the Annual Accounts of the Company on a going concern basis.

v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement:

Your Directors express their sincere gratitude for overwhelming support and cooperation received from Bankers, other Government Agencies and esteemed customers for their continued patronage and support during the year.

Your Directors also place on record their appreciation for the wholeheartedly support and contribution of all the officers, staff and workmen for the consistent growth of your Company.

Your Directors also take this opportunity to place on record their gratitude to the Members for their continued support and confidence with the company.

For and on behalf of the Board of Directors
Kanpur Plastipack Limited

Place: Kanpur
Date : 31st July, 2017

(Shashank Agarwal)
Deputy Managing Director

(Manoj Agarwal)
Managing Director

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance:

Good corporate governance practices stem from the culture and mindset of the organization. The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI). Your Company believes that transparency, accountability, fair dealing and ethical practices lead to conduct of business in efficient and effective manner. This in turn creates wealth for all stakeholders on one hand and safeguards their interest on the other.

2. Board of Directors:

As on 31st March, 2017, the Board of Kanpur Plastipack Limited consists of three Whole Time Directors and Seven Non-Executive Directors five of whom are Independent Directors and one Woman Director. The composition of the Board and other relevant details relating to Directors during the Financial Year 2016-17 are as under:

Name of the Director	Category	No of Equity Shares Held	No. of Board Meetings Attended	Whether attended last AGM	No. of Other Directorship	No. of Other Committees Chairmanship	No. of Other Committees Membership*
Shri Mahesh Swarup Agarwal	Promoter – Non-Executive	1900680	6	Yes	3	-	-
Shri Manoj Agarwal	Promoter-Executive	914818	6	Yes	5	-	-
Shri Shashank Agarwal	Promoter-Executive	707485	6	Yes	3	-	-
Smt. Usha Agarwal	Promoter - Non- Executive	1482471	6	Yes	2	-	-
Shri Sunil Mehta	Executive	NIL	6	Yes	1	-	-
Shri Sobhagya Mal Jain	Non-Executive & Independent	NIL	3	Yes	-	-	-
Shri Pradeep Kumar Goenka*	Non-Executive & Independent	NIL	2	No			
Shri Prem S. Khamesra	Non-Executive & Independent	NIL	4	Yes	6	-	-
Shri Subodh Kumar	Non-Executive & Independent	NIL	6	Yes	-	-	-
Dr. Ram Gopal Bagla	Non-Executive & Independent	NIL	6	Yes	-	-	-
Shri Akshay Kumar Gupta**	Non-Executive & Independent	NIL	3	No	1	-	-

* Resigned w.e.f. 29/07/2016.
** Appointed w.e.f. 15/09/2016

Re-appointment:

Shri Mahesh Swarup Agarwal is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. In view of his valuable contribution, guidance and support received from him, your Directors recommend his re-appointment.

During the year, Shri Akshay Kumar Gupta was appointed as an Additional Director (Independent) w.e.f. 15th September, 2016. His regularization is placed before the shareholders at ensuing Annual General Meeting for a consecutive period of five years 31.03.2021.

Further, the Board of Directors have re-appointed Shri Manoj Agarwal as Managing Director, subject to the approval of shareholders at ensuing Annual General Meeting, for a period of 3 years w.e.f. 1st September 2017.

The brief profiles and other details of Shri Akshay Kumar Gupta, and Shri Manoj Agarwal are given in the Notice for perusal of members.

Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal, Shri Shashank Agarwal and Smt. Usha Agarwal are relatives. Save and except the above, none of the other Directors relate, in any way, financially or otherwise, to each other.

Details of familiarisation programmes imparted to independent directors are disclosed on the website of the Company: www.kanplas.com.

Details of Board Meetings held during the year 2016-17:

During the year, six meetings of the Board of Directors were held. The details of meeting are as under:-

S. No.	Date of Board Meeting	Strength of Board	No. of Members Present
1	23rd May, 2016	10	10
2	29th July, 2016	10	8
3	15th September, 2016	9	9
4	27th September, 2016	10	8
5	14th November, 2016	10	9
6	13th February, 2017	10	10

3. Audit Committee:

The Audit Committee was duly constituted comprising 3 Directors namely Shri S. M. Jain as Chairman and Dr. R. G. Bagla, Shri Akshay Kumar Gupta and Shri Manoj Agarwal as members. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Four Audit Committee meetings were held during the year 2016-17. The details of the meetings are as under:-

Sl. No.	Date	Committee Strength	No. of members present
1.	23rd May, 2016	3	3
2.	29th July, 2016	4	3
3.	14th November, 2016	4	3
4.	13th February, 2017	4	4

The terms of reference of the Audit Committee include review of Quarterly, Half-Yearly and Annual financial statements before submission to the Board for its approval, to review adequacy of internal control system, to apprise the Board on the impact of accounting policies, accounting standards and legislation, to hold periodical discussions with Statutory and Internal Auditors on the scope and content of the audit and to review the Company's financial and risk management policies. The members of the Committee are well versed in matters relating to finance, accounts, company law, other economic legislation and general management practices.

4. Nomination and Remuneration Committee:

The Board has duly constituted the Nomination and Remuneration Committee consisting of three Non-Executive Directors. The constitution of the committee is Shri Prem S. Khamesra as Chairman, Dr. R. G. Bagla, Shri Subodh Kumar and Shri Akshay Kumar Gupta as members. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Committee, interalia, looks into the matters, in accordance with the remuneration policy of the Company, to identify persons who are qualified to become Directors and who may be appointed in senior management and to recommend to the Board their appointment and/ or removal, to carry out evaluation of every Director's performance, to formulate the criteria for determining qualifications, positive attributes and independence of a Director, and matters relating to the remuneration for the Directors and Key Managerial Personnel. The details of the meetings and attendance thereof are as under:-

Sl. No.	Date	Committee Strength	No. of members present
1.	29th July, 2016	3	2
2.	15th September, 2016	3	3

Performance evaluation of Independent Directors is being done by the entire board based on the basis of their experience, knowledge, competency, attendance, commitment, integrity and Independence.

The Company does not pay any remuneration to its non executive Directors, except sitting fee for attending the Board Meetings @ ₹10,000/- and ₹1000/- for attending each meeting of Committees, besides reimbursement of expenses of traveling etc. The Company has no pecuniary relationship or transaction with its non-executive Directors

other than payment of sitting fees to them for attending Board and Committee Meetings. The details of the remuneration given to the individual directors are given below:

(₹ in Lacs)

Name of Director	Remuneration	Perquisites	Commission/ performance Incentive	Sitting Fee	Stock Option	Others	Total
Shri Mahesh Swarup Agarwal*	-	-	-	0.64	-	24.00	24.64
Shri Manoj Agarwal	41.40	12.60	42.83	-	-	-	96.83
Shri Shashank Agarwal	33.78	4.91	42.82	-	-	-	81.51
Shri Sunil Mehta	21.65	2.64	5.00	-	-	-	29.29
Smt. Usha Agarwal	-	-	-	0.64	-	-	0.64
Shri P. S Khamesra	-	-	-	0.46	-	-	0.46
Dr. R. G. Bagla	-	-	-	0.67	-	-	0.67
Shri Subodh Kumar	-	-	-	0.67	-	-	0.67
Shri S. M. Jain	-	-	-	0.32	-	-	0.32
Shri Akshay Kumar Gupta	-	-	-	0.33	-	-	0.33

*Honorariul is being given to Shri Mahesh Swarup Agarwal @ ₹2 lacs p. m.

5. Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee was duly constituted under the Chairmanship of Dr. Ram Gopal Bagla. Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal and Shri P. S. Khamesra are members. Shri Ankur Srivastava, Company Secretary of the Company is the Compliance Officer.

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. During the year four Committee Meetings were held. Details of the meetings are as are as under:

S. No.	Date	Committee Strength	No. of members present
1.	23rd May, 2016	3	3
2.	29th July, 2016	3	3
3.	14th November, 2016	4	4
4.	13th February, 2017	4	4

The Committee sees the matter relating to transfer of shares, demat of shares, issue of duplicate share certificates, redressal of shareholders / investors grievances and complaints regarding non-receipt of dividends, Annual Reports, etc. During the year 30 investor grievances were received which were duly resolved to the satisfaction of the shareholders. There were no investor grievance which is not resolved or pending to the satisfaction of shareholder.

6. Corporate Social Responsibility Committee

The constitution of the committee comprises of Shri P. S. Khamesra as Chairman, Shri Shashank Agarwal, Shri Subodh Kumar and Smt. Usha Agarwal as members. The Committee met 4 times during the year, the details of which are given below:

S. No.	Date	Committee Strength	No. of members present
1.	23rd May, 2016	4	4
2.	29th July, 2016	4	3
3.	14th November, 2016	4	4
4.	13th February, 2017	4	4

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013. The committee shall inter-alia look into the matters of formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified under Schedule VII of the Act, recommend the amount of expenditure to be incurred on the activities referred to in CSR Policy and to monitor the CSR Policy of the Company from time to time, etc.

7. General Body Meeting:

The Annual General Meeting of the Company during last three years were held at the registered office of the Company at D-19-20, Panki Industrial Area, Kanpur – 208 022. The date and time of the AGM held during last three years and the Special Resolution(s), if any, passed there at are as follows:

2015-16

Date and Time	:	15th September, 2016 at 12:00 Noon
Special Resolution	:	1. Increase in Authorise Share Capital.
	:	2. Adoption of new set of Articles.
	:	3. Re-designation of Shri Shashank Agarwal as Deputy Managing Director.
	:	4. Re-designation of Shri Sunil Mehta as Executive Director with revised terms of remuneration.
	:	5. Creation of Charge/Mortgage on the Assets of the Company.

2014-15

Date and Time	:	13th August, 2015 at 12:00 Noon
Special Resolution	:	1. Revision of terms and conditions of appointment of Shri Manoj Agarwal, Managing Director for the remaining tenure of his present Term.
	:	2. Re-appointment of Shri Shashank Agarwal, Director (Technical) with fresh terms and conditions for a period of 3 years w.e.f. 01/09/2015.
	:	3. Revision of terms and conditions of appointment of Shri Sunil Mehta Director (Operations) for the remaining tenure of his present Term.

2013-14

Date and Time	:	10th September, 2014 at 12:00 Noon
Special Resolution	:	1. Re-Appointment of Shri Manoj Agarwal, Managing Director with fresh terms and conditions for a period of 3 years w.e.f. 01/09/2014.
	:	2. Increase the borrowing powers of the Company.

No Special Resolution was put through postal ballot last year nor is it proposed to put any Resolution to vote through postal ballot this year.

8. Disclosures:

a) All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis. Omnibus approval from the Audit Committee was obtained on annual basis for transactions which are of repetitive nature. There was no materially significant related party transaction i.e. transaction of material nature with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts forming part of the Annual Report. The policy to deal with the related party transactions is uploaded on the company's website. The weblink of the same is http://kanplas.com/wp-content/uploads/Policy-on-Related-Party-Transactions.pdf.

b) During the year 2016-17:-

1. The Company has established a mechanism called "Vigil Mechanism (Whistle Blower Policy)" for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics and no person has been denied access to the Audit Committee;

2. The Company has complied with all the mandatory requirements and most of the discretionary requirements specified in SEBI (LODR) Regulations, 2015; and

3. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or by any statutory authority on any matter related to capital markets during last three years.

c) The Company has complied with the Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015.

9. Means Of Communication:

The quarterly and Annual Results of the Company are sent to the Stock Exchange, where the Company's shares are listed, immediately after they are approved by the Board. These are also published in regional language (Hindi) newspaper and in National English Daily as per the SEBI (LODR) Regulations. Quarterly and Annual Results and the Annual Report and other information are also available on the website of the Company i.e. www.kanplas.com. The Annual Report is being sent through email to members whose email ids are registered with Company and physically to rest all the shareholders.

10. General Shareholder Information:

(i) Annual General Meeting

Date : 15th September, 2017

Time : 12:00 Noon.

Venue : D-19-20, Panki Industrial Area,
Kanpur 208 022.

(ii) Financial Year : 1st April, 2016 to 31st March, 2017

(iii) Date of Book Closure : 9th September, 2017 to 15th September, 2017 (both days inclusive).

(iv)Dividend payment date, if declared : 28th September, 2017

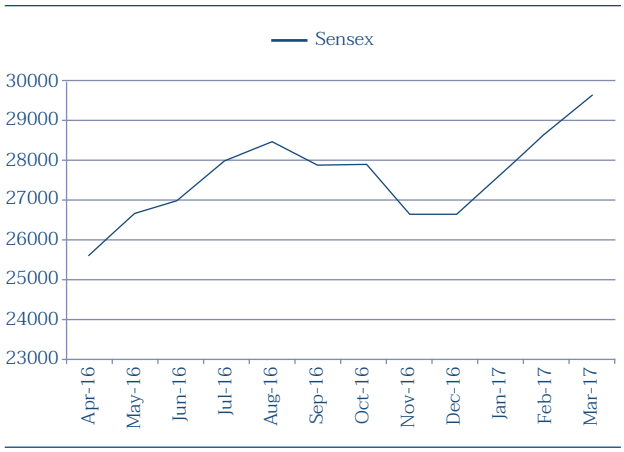
(v) Listing on Stock Exchanges : Bombay Stock Exchange, Mumbai (The Company is up-to-date on the payment of Annual Listing fees)

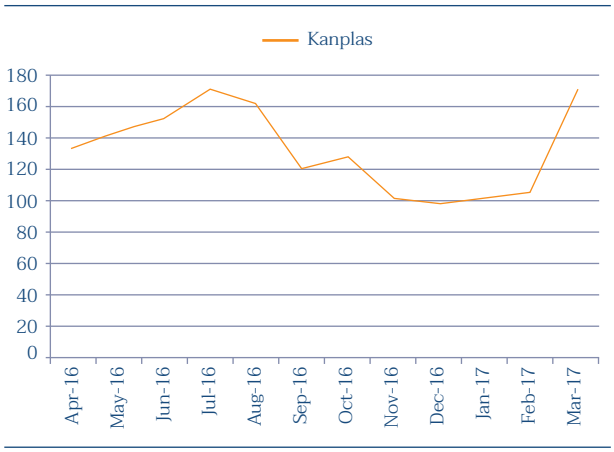
(vi)Stock Code : 507779

(vii) Market Price Data at BSE:

Month	High (₹)	Low (₹)
April 2016	142.70	123.00
May 2016	151.90	122.00
June 2016	174.00	135.00
July 2016	176.00	145.00
August 2016	175.00	144.00
September 2016	174.00	112.15
October 2016	139.15	113.00
November 2016	130.90	90.00
December 2016	102.75	91.50
January 2017	110.00	96.40
February 2017	107.00	94.90
March 2017	179.85	100.80

(viii) Comparison of Company's stock performance with BSE- SENSEX:



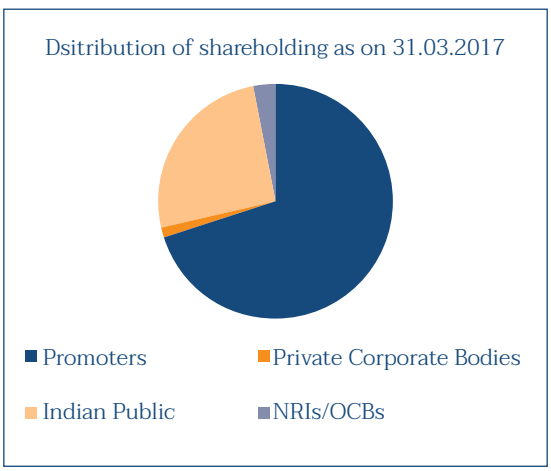


(ix) Registrar and Share Transfer Agent(RTA) : Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor, Okhla
Industrial Area, Phase-I
New Delhi- 110 020

(x) Share Transfer System: -

The shares received for transfer in physical form are processed by RTA and the Share Certificates are returned after authorization by the Company, within a period of 15 days from the date of receipt, subject to the documents being valid & complete in all respects. Any transferee who wishes to get the shares dematerialized may approach any of the Depository Participants (DP) along with a duly filled Demat Request Form.

(xi) Shareholding Pattern as on 31st March, 2017:



Category	No. of shares held	% of Share holding
Promoters	82,60,635	69.19
Mutual Funds and UTI	-	-
Financial Institutions, Banks and Insurance Companies	-	-
Private Corporate Bodies	1,62,494	1.36
FIIs	-	-
Indian Public	30,96,510	25.94
NRIs/OCBs	4,19,232	3.51
Total	**1,19,38,871**	**100%**

(xii) Distribution of Shareholding as on 31st March 2017:

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1 -500	8181	89.11	1624285	13.61
501-1000	562	6.12	400523	3.35
1001-2000	208	2.27	290943	2.44
2001-3000	88	0.96	215449	1.80
3001-4000	38	0.41	131661	1.10
4001-5000	31	0.34	142059	1.19
5001-10000	38	0.41	275771	2.31
More Than10000	35	0.38	8858180	74.20
Total	**9181**	**100**	**11938871**	**100**

(xiii) Dematerialization of shares: -

The Company's shares are under demat mode as well. The ISIN of the Company is INE694E01014. As on 31st March, 2017, 90.47% equity shares of the Company are in dematerialized mode.

(xiv) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity:-

: Not Applicable

(xv) Commodity price risk or foreign exchange risk and hedging activities:

To control and minimize all those risk, the Company has formulated Risk Management Policy according to which each risk is effectively evaluated and ensured that these risks are known and addressed through a pragmatic and effective risk management process by the Management.

(xvi) Plant and Location:

(i) Registered Office : D-19-20, Panki Industrial Area,
Kanpur – 208 022

(ii) Manufacturing Units 1- D-19-20, Panki Industrial Area,
Kanpur - 208 022.

2- A-1, A-2, Udyog Kunj, Site V,
Kanpur - 208 022

3- D-6, Panki Industrial Area,
Kanpur – 208 022

4- 79-A, Co-operative Industrial Estate,
Dada Nagar, Kanpur- 208 022

(xvi) Address for Investor Correspondence: -

· For shares held in Physical Form & for any query on the Annual Report & Dividend	:	Kanpur Plastipack Ltd. D-19-20, Panki Industrial Area, Kanpur-208 022
· For Shares in Demat Form	:	Skyline Financial Services Pvt. Ltd. D-153/A, 1st Floor, Okhla Industrial Area, Phase-I New Delhi- 110 020

The Company has also created a dedicated email id (secretary@kanplas.com) exclusively for the purpose of registering and redressal of the services / complaints of investors and this is prominently displayed on the Company's website i.e. www.kanplas.com.

☆ Declaration ☆

I, Manoj Agarwal, Managing Director of Kanpur Plastipack Limited, hereby declare that, pursuant to Regulation 17 (5) of the SEBI (LODR) Regulations, 2015, all members of the Board and Senior Management personnel have affirmed their compliance with the Code of Conduct for the year ended 31st March, 2017.

For Kanpur Plastipack Limited

(Manoj Agarwal)
Managing Director

Place: Kanpur
Date: 31st July, 2017

☆ Certificate regarding Compliance of Conditions of Corporate Governance ☆

To,
The Members of
Kanpur Plastipack Limited.,
KANPUR.

We have examined the compliances of the conditions of Corporate Governance by the "Kanpur Plastipack Limited" (The Company) for the year ended 31.03.2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out and was limited to the procedures adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

For PANDEY & CO.
Chartered Accountants

AMIT PANDEY
Partner
Membership No. 402377
Firm Reg. No. 000357C

PLACE: KANPUR
DATE : 29th May, 2017

ANNEXURE- 'B' TO THE DIRECTORS' REPORT

Particulars Required Under Section 134(3)(m) of The Companies Act, 2013 Read With Rule 8(3) of The Companies (Accounts) Rules, 2014

A. Conservation Of Energy:

I. Steps Taken or Impact on Conservation of Energy:

a. A new Compressed air line using aluminium pipe in the entire A1-A2 plant was laid to replace old air line of GI pipe. This has resulted into saving of approx. 3700 units of electricity per month.

b. Installation of Energy Management System for online monitoring of plant wise / section wise consumption of energy in all the plants.

II. Steps Taken by the Company for Utilizing Alternate Sources of Energy:

During the year, the rooftop solar grid system (capacity 506 KW) has produced 5,37,037 units of electricity. The system has also saved emission of 8,80,741 Kgs of Carbon Di Oxide during the year.

III. Capital Investment on Energy Conservation Equipments:

During the year total Investment Capitalized under this head was ₹15.60 Lacs.

B. Technology Absorption:

I. Efforts made towards Technology Absorption:

The Management regularly keeps a watch on the latest technological developments in the field of operations of the Company and whenever there are changes which in the opinion of management are beneficial, your Company absorbs the same. During the year following technologies were successfully absorbed:

a) Use of Vortex Tube for needle cooling (under trial).

b) Use of laser lights for marking on fabric during stitching operation.

c) Creation of in-house facility for stereo making using single head laser machine.

d) Baffle cutting using double head laser cutting machine.

e) Use of Conveyor for finished bag movement resulting in saving of manpower.

II. Benefits Derived Like Product Improvement, Cost Reduction, Product Development Or Import Substitution:

a) Thread breaking during stitching reduced which will result in improved quality and better tailor productivity.

b) This will reduce manpower required for marking on fabric before stitching.

c) We are able to produce better quality stereo resulting in improved quality of printing. In-house stereo making is also costing less as compared to outsourcing of activity.

d) Baffle cutting of uncoated fabric on laser machine will result in cost reduction.

e) Use of conveyor for material movement will result in reduction of manpower.

III. In Case of Imported Technology (Imported During the Last Three Years Reckoned From the Beginning of the Financial Year:

details of technology imported	year of import	whether the technology been fully absorbed	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
-	-	-	-

IV. The Expenditure Incurred on Research and Development:

NIL

C. Foreign Exchange Earnings and Outgo:

During the year under review, the Company has earned and spent Foreign Exchange as detailed below:

		(₹ in Lacs)
(i)	Earning on FOB value basis	19391.02
(ii)	Total Expenditure in Foreign Currency:	
	(a) Expenditure on Import of Raw Materials, Plant and Machinery and Spare parts and others	1356.22
	(b) Expenditure on Export promotion tour	7.12
	(c) Expenditure on other than above	128.74

ANNEXURE- 'C' TO THE DIRECTORS' REPORT

The information as required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Remuneration paid to Directors and Key Managerial Personnel:

(₹ in Lacs)

Sl. no.	Name	Title / Category	Remuneration in Fiscal 2017	Remuneration in Fiscal 2016	Increase in Remuneration	% increase in emuneration	Ratio of remuneration to the MRE
1	Mahesh Swarup Agarwal	Chairman Emeritus	24	24	0	-	19.83
2	Manoj Agarwal	Managing Director -KMP	96.83	100.81	-3.98	-3.95%	80.02
3	Shashank Agarwal	Deputy Managing Director	81.51	82.71	-1.2	-1.45%	67.36
4	Sunil Mehta	Executive Director	29.29	27.48	1.81	6.59%	24.21
5	Usha Agarwal	Non Executive Director	-	-	-	-	-
6	P. K. Goenka1	Independent Director	-	-	-	-	-
7	P.S. Khamesra	Independent Director	-	-	-	-	-
8	S.M. Jain	Independent Director	-	-	-	-	-
9	Subodh Kumar	Independent Director	-	-	-	-	-
10	Ram Gopal Bagla	Independent Director	-	-	-	-	-
11	Akshay Kumar Gupta	Independent Director	-	-	-	-	-
12	Avinash Kumar Singh2	Company Secretary-KMP	4.21	-	-	-	3.48
13	Ankur Srivastava3	Company Secretary -KMP	5.75	-	-	-	4.75
14	Arvind Gunjan	General Manager (Finance) / CFO -KMP	19.52	18.84	0.68	3.61%	16.13

1 Shri P. K. Goenka resigned w.e.f. 29/07/2016.

2 Shri Avinash Kumar Singh Resigned w.e.f. 17/08/2016.

3 Shri Ankur Srivastava was appointed w.e.f. 15/09/2016.

Key parameters for any variable component of remuneration availed by the Directors:

Commission as a fixed percentage of net profit is paid to Managing Director and Deputy Managing Director. Fixed performance incentive is paid to Executive Director.

There is no employee of the Company who has received remuneration in excess to the highest paid Director of the Company.

Comparison of Remuneration to Employees

(₹ in Lacs)

	As on 31.03.2017	As on 31.03.2016	Increase / Decrease	Average Increase / Decrease	Median Remuneration of Employee (MRE)		Increase / Decrease in MRE	% Increase / Decrease in MRE
					As on 31.03.2017	As on 31.03.2016		
Number of permanent Employees on the rolls of the Company	846	777	69	-	-	-	-	-
Total Remuneration	**2307.63**	**1680.94**	**626.69**	**0.57**	**1.21**	**1.11**	**0.10**	**9.01%**

Payroll of sales and marketing persons have also been included in the total remuneration.

The number of permanent employees on the roll of the company represents the employees on roll as on 31st March of the relevant financial year, however, the median includes the remuneration of those employees also who left the company during relevant financial year.

Average increase in the remuneration of employees is ₹0.57 Lacs and percentile average increase in remuneration is 26.39%. Whereas, there is a shortfall in the turnover of the Company about 1.22% and net profit by 0.08%, the remuneration is increased drastically due to change in policy, new recruitment, revision of salary and increased bonus to workers.

The remuneration paid to the Directors, KMP and employees is in accordance with the remuneration policy of the Company.

Average percentile increase in salaries of employees other than managerial personnel during 2016-17 was 26%. In the same period there was a decrease of about 1% in the managerial remuneration. It can therefore be seen that there is a similarity between the shortfall of turnover of the Company and its profits with the remuneration paid to managerial personnel. Further, the increase in the total remuneration of employees is due to change in policy, new recruitment, revision of salary and increased bonus to workers.

ANNEXURE- 'D' TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return

as on the Financial Year ended 31/03/2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i.	CIN	L25209UP1971PLC003444
ii.	Registration Date	26/07/1971
ii.	Name of the Company	Kanpur Plastipack Limited
iv.	Category \ Sub Category of the Company	Public non-government company
v.	Address of the Registered office and contact details	D-19-20, Panki Industrial Area, Kanpur-208022 E-mail: secretary@kanplas.com website: www.kanplas.com Tel.: 0512-2691113; Fax: 0512-2691117
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Pvt. Ltd. D-153/A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi-110 020 Tel.: +91 11 64732681-88 Fax: +91 11 26812682 Web:www.skylinerta.com

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company are given hereunder:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture and export of FIBC (Flexible Intermediate Bulk Container), Woven Sacks and PP high tenacity Multifilament Yarn.	3132	97.43%

III. Particulars of Holding, Subsidiary and Associate Companies -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
-	Nil	-	-	-	-

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	4589842	-	4589842	57.67	6884761	-	6884761	57.67	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	917250	-	917250	11.52	1375874	-	1375874	11.52	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**5507092**	**-**	**5507092**	**69.19**	**8260635**	**-**	**8260635**	**69.19**	**-**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoters (A)=(A)(1) + (A)(2)	**5507092**	**-**	**5507092**	**69.19**	**8260635**	**-**	**8260635**	**69.19**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	97824	1000	98824	1.24	160994	1500	162494	1.36	0.12
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	1138691	597499	1736190	21.81	1755769	853533	2609302	21.86	0.05
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	309838	-	309838	3.90	352705	-	352705	2.96	-0.94
c) NBFC Registered with RBI	330	-	330	0.00	-	-	-	-	-
d) Others (NRI)	51394	195017	246411	3.10	135983	283249	419232	3.51	0.41
d-1) HUF	48365	-	48365	0.61	78062	-	78062	0.65	0.04
d-2) clearing members	12197	-	12197	0.15	56441	-	56441	0.47	0.32
Sub-total (B)(2):-	**1658639**	**793516**	**2452155**	**30.81**	**2539954**	**1138282**	**3678236**	**30.81**	**-**
Total Public Shareholding	**1658639**	**793516**	**2452155**	**30.81**	**2539954**	**1138282**	**3678236**	**30.81**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**7165731**	**793516**	**7959247**	**100**	**10800589**	**1138282**	**11938871**	**100**	**-**

Note: During the year the Company has issued 3979624 equity shares as fully paid up Bonus Shares.

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mahesh Swarup Agarwal	1267120	15.92	-	1900680	15.92	-	-
2	Usha Agarwal	988314	12.42	-	1482471	12.42	-	-
3	Manoj Agarwal	609879	7.66	-	914818	7.66	-	-
4	Shashank Agarwal	471657	5.93	-	707485	5.93	-	-
5	Mahesh Swarup Agarwal HUF	387412	4.87	-	581118	4.87	-	-
6	Alka Jain	232110	2.91	-	348165	2.91	-	-
7	Manoj Agarwal HUF	214815	2.70	-	322222	2.70	-	-
8	Jayatika Goyal	150000	1.88	-	225000	1.88	-	-
9	Kanika Mahadevwala	141000	1.77	-	211500	1.77	-	-
10	Manjari Agarwal	127535	1.60	-	191302	1.60	-	-
11	KSM Exports Ltd.	418575	5.26		748012	5.26	-	-
12	MSA Investment & Trading Co. Pvt. Limited	498675	6.27	-	627862	6.27	-	-
Total		**5507092**	**69.19**	**-**	**8260635**	**69.19**	**-**	**-**

Note: During the year the Company has issued 3979624 equity shares as fully paid up Bonus Shares.

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

There is no change during the year

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease in Share holding	Reason	Cumulative Share holding during the year (01-04-16 to 31-03-17)		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Deepinder Singh Poonian	78396	0.98	31/03/2016						
				14/10/2016	39198	Bonus Shares	117594	0.98		
				31/03/2017					117594	0.98
2	Sanjeev Chopra	39081	0.49	31/03/2016						
				14/10/2016	19540	Bonus Shares	58621	0.49		
				31/03/2017					58621	0.49

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year					Cumulative Share holding during the year (01-04-16 to 31-03-17)		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Date	Increase / Decrease in Share holding	Reason	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	Sangeetha S	40570	0.51	31/03/2016						
				08/09/2016	-270	Sale	40300	0.34		
				14/10/2016	20150	Bonus Shares	60450	0.51		
				28/10/2016	-315	Sale	60135	0.50		
				18/11/2016	-135	Sale	60000	0.50		
				10/03/2017	-2510	Sale	57490	0.48		
				24/03/2017	-1800	Sale	55690	0.47		
				31/03/2017					55690	0.47
4	Vijaya Kumar Chinnaswamy	24887	0.31	31/03/2016						
				14/10/2016	12443	Bonus Shares	37330	0.31		
				20/01/2017	-37330	Sale	0	0.00		
				27/01/2017	37330	Purchase	37330	0.31		
				31/03/2017					37330	0.31
5	Pawan Kumar Jain	23125	0.29	31/03/2016						
				14/10/2016	11562	Bonus Shares	34687	0.29		
				31/03/2017					34687	0.29
6	Neelam Jain	19875	0.25	31/03/2016						
				14/10/2016	9937	Bonus Shares	29812	0.25		
				31/03/2017					29812	0.25
7	Abhinav Jain	29179	0.37	31/03/2016						
				14/10/2016	14589	Bonus Shares	43768	0.37		
				11/11/2016	-845	Sale	42923	0.36		
				10/03/2017	-14000	Sale	28923	0.24		
				31/03/2017					28923	0.24
8	Uma Ilangovan	18252	0.23	31/03/2016						
				14/10/2016	9126	Bonus Shares	27378	0.23		
				31/03/2017					27378	0.23
9	Ranjna Awasthi	12000	0.15	31/03/2016						
				14/10/2016	6000	Bonus Shares	18000	0.15		
				31/03/2017					18000	0.15
10	Alka Arun Jain	12000	0.15	31/03/2016						
				14/10/2016	6000	Bonus Shares	18000	0.15		
				31/03/2017					18000	0.15

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date wise Change in shareholding			Cumulative Share holding during the year (01-04-16 to 31-03-17)		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Date	Increase / Decrease in Share holding	Reason	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri Mahesh Swarup Agarwal- Chairman Emeritus	1267120	15.92	14/10/2016	633560	Bonus	1900680	15.92	-	-
		-	-	-	-	-	-	-	1900680	15.92
2	Shri Manoj Agarwal- Managing Director	609879	7.66	14/10/2016	304939	Bonus	914818	7.66	-	-
		-	-	-	-	-	-	-	914818	7.66
3	Shri Shashank Agarwal – Deputy Managing Director	471657	5.93	14/10/2016	235828	Bonus	707485	5.93	-	-
		-	-	-	-	-	-	-	707485	5.93
4	Shri Sunil Mehta- Executive Director	-	-	-	-	-	-	-	-	-
5	Smt Usha Agarwal	988314	12.42	14/10/2016	494157	Bonus	1482471	12.42	-	-
		-	-	-	-	-	-	-	1482471	12.42
6	Shri Subodh Kumar – Director	-	-	-	-	-	-	-	-	-
7	Shri Prem Singh Khamesra - Director	-	-	-	-	-	-	-	-	-
8	Shri Sobhagya Mal Jain- Director	-	-	-	-	-	-	-	-	-
9	Dr. Ram Gopal Bagla- Director	-	-	-	-	-	-	-	-	-
10	Shri Akshay Kumar Gupta- Additional Director	-	-	-	-	-	-	-	-	-
11	Shri Ankur Srivastava- Company Secretary	-	-	-	-	-	-	-	-	-
12	Shri Arvind Gunjan- General Manager (Finance) / CFO	-	-	-	-	-	-	-	-	-

(V) Indebtedness

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6241.30	-	307.00	6548.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.38	-	-	0.38
Total (i+ii+iii)	**6241.68**	**-**	**307.00**	**6548.68**
Change in Indebtedness during the financial year				
· Addition	1635.24	-	-	1635.24
· Reduction		-	60.00	(60.00)
Net Change	**(1635.24)**	**-**	**(60.00)**	**1575.24**
Indebtedness at the end of the financial year				
i) Principal Amount	7876.92	-	247.00	8123.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**7876.92**	**-**	**247.00**	**8123.92**

(VI) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
	Remuneration to MD / WTD and / or Manager	Shri Manoj Agarwal- Managing Director	Shri Shashank Agarwal- Deputy Managing Director	Shri Sunil Mehta- Executive Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43.75	25.39	13.19	82.33
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.67	4.17	2.44	16.28
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	9.18	9.05	18.23
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	42.83	42.82	-	85.65
	- fixed performance incentive	-	-	5.00	5.00
5.	Others, please specify	-	-	-	-
Total (A)		**96.25**	**81.56**	**29.68**	**207.49**

B. Remuneration to other Directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	**Independent Directors**	**Shri P.K. Goenka**	**Shri Akshay Kumar Gupta**	**Shri S. M. Jain**	**Shri Subodh Kumar**	**Dr. Ram Gopal Bagla**	**Shri P. S. Khamesra**	
i.	· Fee for attending board / committee meetings	0.25	0.33	0.32	0.67	0.67	0.46	2.70
ii.	· Commission	-	-	-	-	-	-	-
iii.	· Reimbursement of Expenses (Others)	-	-	-	-	-	-	-
Total (1)		**0.25**	**0.33**	**0.32**	**0.67**	**0.67**	**0.46**	**2.70**
2.	**Other Non-Executive Directors**	**Shri M. S. Agarwal**	**Smt. Usha Agarwal**					
i.	· Fee for attending board / committee meetings	0.64	0.64					
ii.	· Commission	-	-					
iii.	· Honorarium (Others)	24.00	-					
Total (2)		**24.64**	**0.64**					**25.28**
Total (B)=(1+2)								**27.98**
Total Managerial Remuneration								**235.47**
Overall Ceiling as per the Companies Act, 2013								**276.65**

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Company Secretary		CFO	
		*Ankur Srivastava	**Avinash Kumar Singh	Arvind Gunjan	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.79	3.12	10.92	17.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.28	0.65	0.93
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1.96	0.81	7.95	10.72
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	· Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	**5.75**	**4.21**	**19.52**	**29.48**

* Appointed w.e.f. 15/09/2016

**Resigned w.e.f. 17/08/2016.

VII. Penalties / Punishment/ Compounding of Offences:

No penalties, punishment or compounding of offences have been occurred during the year under review on Company or on its directors or officers.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees imposed	Authority [RD/ NCLT / Court]	Appeal made, if any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Secretarial Audit Report

For the Financial Year Ended 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Kanpur Plastipack Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KANPUR PLASTIPACK LIMITED (hereinafter called "The Company"). 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 books, papers, minute books, forms and returns filed and other records maintained by the company and also the 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 March 31, 2017, 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 "the Company" for the financial year ended on March 31, 2017 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 there under;

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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable :-

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

v. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)

vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)

vii. 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;

viii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period), and

ix. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

vi) We further report that, as per the Management Representation Letter for Secretarial Audit, there are no specific business/industry related laws 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the board or Committee of the Board as the case may be.

We further report that, in my opinion there exist 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. However, the same is needed to be further strengthened.

We further report that during the audit period, the Company has:

i) No instances of Public/Right/Preferential issue of shares / debentures/sweat equity shares.

However, the company has issued bonus shares to its existing share holders in the ratio 1:2 by capitalizing a sum of ₹ 3, 97, 96,240 out of the Company's General Reserve Account/Securities Premium Account during the said financial year by according Board's approval at its meeting held on 29th July 2016 and thereafter confirming the same through shareholders by way of passing ordinery resolution at the Annual General Meeting of the company held on 15th September 2016.

ii) No instances of Redemption / buy-back of securities.

iii) No major decisions were taken by the members in pursuance to section 180 of the Companies Act, 2013.

iv) No instances of Mergers/ Amalgamations/ Reconstruction etc.

v) No instances of Foreign Technical Collaboration.

Adesh Tandon & Associates
Company Secretaries

(Proprietor)
FCS No :2253
CP No :1121

Date: 31st July 2017
Place: Kanpur

Corporate Social Responsibility (CSR) Policy

Corporate Social Responsibility is strongly connected with the principles of Sustainability. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences thereof. Therefore, it is the core corporate responsibility of KPL to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting its financial interests and the aspirations of its stakeholders.

KPL recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective CSR practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The Company's endeavors to make CSR a key business process for sustainable development. KPL is responsible to continuously enhance shareholders wealth. It is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our company is committed towards aligning with nature and has adopted, as far as possible, eco-friendly practices. As a corporate entity, the Company is committed towards sustainability.

Corporate Social Responsibility:

Corporate Social Responsibility means and includes but not limited to the projects or programs relating to activities specified in Schedule VII of the Act in pursuance of recommendation of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated under Schedule VII of the Act.

Guiding Principles:

To attain its CSR objectives in a professional and integrated manner, the company shall:

- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates.
- Create a positive footprint within the society by creating inclusive and enabling infrastructure/environment for livable communities.
- Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/ judicious use of natural resources.
- Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives.
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
- Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.
- Facilitate water conservation by reducing water consumption at the plants and taking up rain water harvesting projects.
- Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled.
- Create positive awareness towards the need to adopt measures that lead towards reducing carbon footprints, dependence on fossil fuels and promote alternate energy approaches.
- At the time of national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families.

CSR Policy:

In order to achieve the above principles, and as per section 135 read with schedule VII of the Companies Act, 2013, KPL shall undertake the Corporate Social Responsibility (CSR) Activities particularly in the following sphere and expenditure towards one or more of the below mentioned activities, on continuous basis, shall be the "Kanpur Plastipack Limited Corporate Social Responsibility Policy":

(i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up oldage homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

(v) Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

(vi) Measure for the benefit of armed force veterans, war widows and their dependents;

(vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympics sports;

(viii) Contribution to the prime minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;

(ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(x) Rural Development projects.

(xi) slum area development.

Manner of CSR Activity and its reporting

The CSR Committee shall recommend the expenditure to be incurred on the above activities and shall from time to time monitor and report to the Board about the implementation thereof, expenditure incurred and to be incurred, amount expended, amount unspent, balance amount to be incurred and in case of any deviation from the stated policy, reasons thereof is to be reported to the Board and the Board shall report to the shareholders in its Directors Report.

Trust or bodies incorporated with charitable objects may be approached for the implementation of the CSR Activities in pursuance to the above CSR Policy. The detail reporting of the same shall be made to the CSR Committee

An Annual Report on CSR Activities detailing the amount required to be expended, detailed CSR projects and amount expended on each CSR activity will be reported to the Stakeholders.

ANNEXURE- 'G' TO THE DIRECTORS' REPORT

Annual Report on CSR

[Pursuant to the provisions of Section 135 read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	CSR Committee of the Company has decided to spend the amount of CSR interalia on promoting health care and sanitation activities. CSR policy is attached with the Directors report the same has also been uploaded on the website of the Company. Weblink of the same is given below: http://kanplas.com/wp-content/uploads/KPLCSR.pdf
2.	The Composition of the CSR Committee	CSR Committee of the Company consists of 2 Independent Directors, 1 Non Executive Director and 1 Whole Time Director of the Company. The composition of the CSR Committee is as under: 1. Shri P. S. Khamesra, Chairman 2. Shri Subodh Kumar, Member 3. Smt Usha Agarwal, Member 4. Shri Shashank Agarwal, Member
3.	Average net profit of the Company for last three financial years	₹1934.65 Lacs
4.	Prescribed CSR Expenditure (2% of the amount as in item no. 3 above)	₹38.69 Lacs
5.	Details of CSR Spent during the financial year:	
	(a) Total amount to be spend during the financial year	₹38.70 Lacs
	(b) Amount unspent, if any:	Nil
	(c) Manner in which the amount spent during the financial year is detailed below:	

S. No.	CSR Projects or Activities Identified	Sector in which the project is covered	Area of Projects or Programs 1. Local Area or other 2. Specify Location of the program	Amount outlay (budget) project or program wise (₹ in Lacs)	Amount spent on the projects or programs sub heads 1. Direct expenditure on projects or programs 2. overheads	Cumulative Expenditure upto 31-03-2017 (₹ in Lacs)	Amount Spent: Direct or Through implementing agency
1.	Promoting Health Care (Medical Clinic)	Promoting health care including preventive health care	Self Medical Clinic located at nearby location of factory: Village Nauriya Kheda	14.00	Direct expenditure on projects or programs	14.93	Direct
2.	Health Checkup Camp	Promoting health care including preventive health care	Nearby locations of factory Village: Nauriya Kheda, Sarai Meta, Dabauli, Shyampur and Gajner Road	7.00	Direct expenditure on projects or programs	4.31	Direct
3.	Education expenses for poor family student	Promoting education	Jhajharia Foundation for training to the students	8.50	Direct expenditure on projects or programs	9.16	Direct

4.	Toilet Blocks, Tubewell boring to arrange safe drinking water	Promoting sanitation and safe drinking water	Toilet block at Mandhana Kanpur	2.00	Direct expenditure on projects or programs	1.70	Direct
5.	Training & Skill Development Programme	Promoting education and employment enhancing vocational skill among differently abled children and other society	Paid to Indian Medical Association, Kanpur against contribution of medical awareness, Jyoti Badhir Vidhyalaya for vocational skill to differently abled children	3.00	Direct expenditure on projects or programs	2.10	Direct
6.	Financial Support to needy/poor people.	Measures for reducing inequalities faced by socially and economically backward groups	Funeral expenses given to needy people	1.50	Direct expenditure on projects or programs	2.80	Direct
7.	Eradicating hunger, poverty, malnutrition, financial support, distribution of shoes, clothes, blankets , tea , foods etc. to poor /needy people.(Misc)	Eradicating hunger, poverty, distribution of livelihood goods and malnutrition	Distribution of cerals, Donation to Kanpur Heritage Round Table-125 Charitable Trust, Ram Raghubeer Gunvati Devi Jan Seva Nyas and Eradicating hunger expenses.	2.70	Direct expenditure on projects or programs	5.00	Direct
Total				**38.70**		**40.00**	-
6.	Reasons for not spending 2% of the average net profit of last three financial years or any part thereof			n.a.			
7.	Responsibility statement of CSR Committee			The implementation and monitoring of the CSR policy, is in compliance with CSR objectives and CSR policy of the Company.			

For **Kanpur Plastipack Limited**

Date: 31st July 2017
Place: Kanpur

(Manoj Agarwal)
Managing Director

(Prem Singh Khamesra)
Chairman CSR Committee

Remuneration Policy

In determining the remuneration policy, the Nomination and Remuneration Committee ensures that a competitive remuneration package for Board-level executives, KMPs and Senior Management personnel commensurate to their performance is maintained and benchmarked with the trend in the Industry.

The terms of reference, objectives and key elements of the policy produced below is in line with the provisions of Section 178(4) of the Companies Act, 2013, which requires that the policy be formulated in a manner such that it ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully and also that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Basis of Formulation

The Company while deciding the remuneration package of the senior management members takes into consideration the following items:

a. educational/technical skills, knowledge of industry

b. employment scenario

c. remuneration package in similar industry and

d. remuneration package of the managerial talent in other industries.

1. Remuneration to the Members of the Board of Directors

I. Remuneration payable to Executive Directors

The Company shall pay remuneration to its executive directors either by way of a monthly payment or at a specified percentage of the net profits of the Company or party by one way and partly by the other. The elements of the remuneration package of the Executive Director comprises of salary, perquisites & allowances comprising of Company maintained accommodation or house rent allowance, leave travel allowance and other perquisites and allowances including Company's contribution to provident fund, gratuity and leave encashment facilities in accordance with rules of the Company and as may be mutually agreed with the Director concerned.

The Commission, if any, shall be payable annually after the Financial Statements have been adopted by the Shareholders.

The remuneration or any change therein is first recommended by the Nomination and Remuneration Committee and then approved by the Board of Directors and thereafter will be placed before the Shareholders for their approval.

II. Remuneration payable to Non-Executive and Independent Directors

The Company does not pay any remuneration to its non executive directors, except sitting fee for attending the meetings of Board of Directors and Committees thereof at the rates as may be decided by the Board of Directors from time to time subject to the maximum limits as prescribed in the Companies Act, 2013 and reimbursement of expenses of traveling.

The Company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings.

III. Remuneration payable to Chairman Emeritus

The Company has appointaded Shri Mahesh Swarup Agarwal as Chairman Emeritus and an amount of ₹2,00,000/- p.m. is being paid to him as Honorarium with the aprovale of shareholders.

In no event the total managerial remuneration payable to all the Directors of the Company shall exceed the maximum limits as prescribed under Section 197 read with Schedule V of the Companies Act, 2013

2. Remuneration payable to other KMPs and Senior Management personnel

As may be decided by the management in accordance with the policy of the Company.

CEO AND CFO CERTIFICATE

To
The Board of Directors
Kanpur Plastipack Limited

Dear Sir,

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) 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. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

   (1) significant changes in internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Manoj Agarwal)
Managing Director/CEO

(Arvind Gunjan)
GM (Finance)/CFO

1. Industry Structure & Development

Global economic overview

Economic activity gained momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth (after five quarters of drag). Growth also remained firm in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit). Activity surprised on the upside in Japan thanks to strong net exports, as well as in Euro area countries, such as Germany and Spain, as a result of strong domestic demand. Economic performance across emerging market and developing economies has remained mixed. Whereas China's growth remained strong, reflecting continued policy support, activity has slowed in India because of the impact of the currency change initiative.

Real GDP Growth, 2016

3.1%	1.6%	6.7%	1.8%	-3.6%	7.1%
World	United States	Euro Area	United Kingdom	Brazil	India

(Source:OECD)

Indian economic overview

India's gross domestic product grew by 7 per cent in 2016-17, which is the strongest among G-20 countries (Source: OECD, Economic Survey of India, 2017). India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). India's consumer confidence index stood at 136 in the fourth quarter of 2016-17, topping the global list of countries on the same parameter, as a result of strong consumer sentiment (Source: Nielsen).

India's foreign exchange reserves stood at US$ 366.781 billion as on March 17, 2017 as compared to US$ 360 billion by end of March 2016, according to data from the RBI. Indian merchandise exports registered a growth of 17.48 per cent year-on-year in February 2017 at US$ 24.49 billion, according to the data from Ministry of Commerce & Industry. Retail price inflation for February 2017 was reported at 3.65 per cent, compared to 5.26 per cent a year ago, as per CSO. India's industry output grew 2.74 per cent year-on-year in January 2017, led by a good performance in the capital goods sector which registered a 10.7 per cent year-on-year growth.

Indian export overview

India's exports grew at its fastest pace in five years by 4.7% to $274.65 billion during the financial year 2016-17, despite the demonetisation drive that slowed domestic economic activity since November.

A revival of growth in developed economies and surge in commodity prices in the second half of 2016-17, boosted Indian shipment even though the rupee was firm against the dollar.

The Government is aiming at lifting India's share in global exports to 5% by 2020, from just 1.6% now.

Faster exports growth raises chances of some industrial recovery even as domestic demand was crimped by the demonetization.

"World growth is projected to increase to 3.3 percent in 2017 and 3.6 percent in 2018."

Stronger-than-expected pickup of growth in advanced economies and weaker-than-expected activity in some emerging market economies the forecast for 2017–18 envisions a rebound in activity in advanced economies that is faster than previously expected, while growth in 2017 is forecast to be marginally weaker in emerging market and developing.

Sectoral Impact

India's per capita consumption of polymer remains very low currently at just under 11Kg per person against a Global average of 30 Kg per person. The Low consumption level indicates an enormous growth potential for the plastic sector. This offers a great possibility of growth in this sector. The availability of polymer a basic raw material for your Company in India is robust with new plants under commissioning and some capacity expansion under process. To put this in the right prospective some assorted figures are:

	(Figures in Kg/person)
USA	109
Europe	65
China	38
Brazil	32
India	11
World	28

Source: AIPMA and Plastindia,

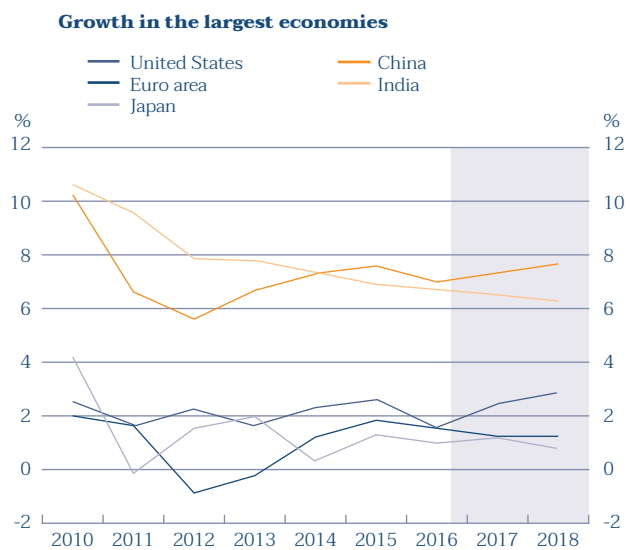
Internationally strong growth in the food and minerals industry has led to robust demand for FIBC's (Flexible Intermediate Bulk Container) also known as Big Bags or Bulk Bags they continue to be in demand in the West due to their cost effective handling and transportation advantages. The Indian FIBC Industry is a favoured sourcing hub for FIBC's globally and is a leading player in the Global Market.

2. The Company and its Performance

Your Company is a pioneer in export from India having started this activity since 1987. It enjoys tremendous brand equity in West Europe & USA as one of India's leading exporters.

Global GDP growth to pick up modestly, boosted by fiscal initiatives





Note : Estimated fiscal initiatives contribution based on fiscal stimulus in China and the euro area for 2016-18 and in the United States for 2017-18, Fiscal years starting in April for India.
Source : OECD March 2017 Interim Economic Outlook; OECD November 2016 Economic outlook database; and OECD calculatioins.

The Company has received a Two Star Exports House status from the Ministry of Commerce and Industry. It is an ISO Certified unit and presently having ISO 9001-2008 accreditation for quality management systems and ISO 22000 : 2005, BRC and AIB certification for food safety management systems to manufacture and supply certified food grade bags for domestic and international markets.

i. Financial Performance

The financials witnessed the following results during the year:

- Net Worth increased by 15.93% to ₹8,282.01 Lacs against ₹7,057.53 Lacs in 2015-16.
- Revenue were ₹24,551 Lacs in comparison to ₹24,980 Lacs in the year 2015-16.
- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was ₹3,348.22 Lacs against ₹3,753.10 Lacs during previous fiscal.
- Bottom Line closed at ₹1427 Lacs.

ii. Segment / Product wise performance

The Company operates in the following business segments viz.

- Manufacturing of Fabrics, Woven Sacks, FIBC's and PP Multifilament Yarn,
- Generation of Solar Power
- Consignment Stockist of Indian Oil Corporation Limited.

a. FIBC Industry

FIBC as a packaging medium is prevalent in developed countries like US and Europe due to high mechanisation and low human intervention.

It leads to savings of labour costs while handling bulk commodities. China is a major player in the global FIBC market and largely meets the demand for US, Japan and Korea. The growth of the FIBC industry in India in the last decade was largely due to easy availability of high end technology and lower labour costs domestically. Consequently, the domestic FIBC industry has low entry barriers. In 2008, Kanpur Plastipack was the first company from India to obtain certification for food grade FIBCs. (Source: ICICI Direct)

b. Indian solar power

India added 5,525 MW solar power generation capacity in FY16-17, taking the total from this clean source to 12,288 MW. The government has envisaged 4,800 MW from rooftop solar and 7,200 MW from large scale solar power projects in the country. India has plans to add 5,000 MW of rooftop solar and 10,000 MW from large scale solar power projects in the FY17-18. Your company has an installation of 506 KW of roof top solar power generation, being a pioneer of the region for this initiative.

c. Consignment Stockist Activity

Robust growth in consumption of plastics will continue to sustain this activity.

3. Opportunities Threats and Challenges

The strong steps of the Government have thrown up new opportunities for the manufacturing industry which the Company is gearing up to handle. Efforts are continuously being made to catch new markets. Your company is also undergoing a major Capex to further enhance it s capacity.

There is tremendous shortage of manpower and being a labour intensive industry it has the potential to affect production. However, management has adequate systems in place to constantly monitor manpower requirement, provide internal training and is also introducing new initiatives to reduce attrition rates.

The management took further steps towards operational excellence in product quality and operational productivity.

4. Outlook

Your Company is undergoing a major expansion and consolidation where a Greenfield project at a new premises is envisaged on existing freehold land at Gajner Road, Fatehpur Roshnai, Akbarpur, Kanpur Dehat at a site located 13 Km from the existing factories. This new project will be instrumental in substantial expansion of the existing capacities and consolidation of operations.

The above project will further add 8400 MT per annum of Fabric and FIBC in the existing capacity of 14600 MT with additional manufacturing plans of Liner having a capacity of 1200 MT per annum. The benefits of this expansion will start accruing in FY 2018-19.

The outlook of your Company looks robust and positive. The management is hopeful of better financials with improved bottom-line in the years to come.

5. Risks and Concerns

i. Market and Global Scenario

The Company is an export oriented Unit with its major sales coming from Europe, USA and South America. Adverse economic situations in these Countries may cause a risk. The global political economic scenario may impact the operations of the Company due to political, environmental and economic factors. The Company tries to mitigate this risk by spreading its market over a wider footprint. Strategically, we seek to continuously expand the customer base to maximize the potential sales volumes and at the same time securing additional volumes from existing customers on the basis of our record of satisfactory performance in our earlier dealings. The efforts to enhance quality of products and upgrading their performance parameters are aimed at deriving optimum value from the existing customer base and targeting a larger customer profile. Historically, the strength of our relationships has resulted in significant recurring revenue from existing customers. To counter pricing pressures caused by strong competition, the Company has been increasing operational efficiency and continued to take initiatives to move up the quality control scale besides cost reduction and cost control initiatives.

ii. Raw Material volatility

The principle raw material used by the Company are PP and LDPE Granules which are Petrochemical products produced from derivatives of crude oil. The Company is thus exposed to risks associated with volatile prices in commodities. This vital input is monitored by the Directors on a regular basis with adequate information on price movement and purchases and inventory are planned accordingly. Raw material prices can also be impacted by the Global political-economic situation as any crises in the Gulf counties leads to major price movements.

iii. Inflation and Cost Structure

Inflation is inherent in any business and thereby there is a tendency of costs going higher. Further, rising manpower costs pose a challenge due to the business of the Company being labour intensive. The Management has a continual system of labour rationalization and cost monitoring in place. At organizational level, cost optimization and cost reduction initiatives are implemented and are closely monitored.

iv. Foreign Exchange Risk Management

As an Export oriented Unit a substantial part of the Company's Sales are in Foreign Exchange across all three major currencies viz - US$, Euro and GBP and is thus exposed to substantial risk on account of adverse currency movements. The risk on account of foreign currency fluctuations is managed through hedging. The Company adopts a well researched hedging policy. The Management reviews its exposure on a regular basis and implements the hedging strategy through forward contracts and similar Bank approved instruments. Since Kanpur Plastipack also imports materials the net exposure is taken into consideration allowing for a natural hedge for some part of the exposure.

6. Internal Control System

The Company has adequate system of internal controls which are regularly reviewed and tested by the Management and the Internal Auditors. The report of the Internal Auditors is reviewed by the Top Management and the Audit Committee periodically.

7. Human Resource Development

Human resource is the most important resource in management and needs to be used efficiently. The Company views its employees as most valuable assets who are the key element in the growth, prosperity and development of the organization. The Company is committed to provide necessary training / conducts development programmes to imbibe necessary skills required within the employees. The management of the Company enjoys cordial relations with its employees at all levels. As on 31.03.2017, Kanpur Plastipack has a team of 829 employees.

8. Cautionary Statement

Statements in this report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in this statement because of many factors like economic condition, availability of labour, price conditions, domestic and international market, changes in Government policies, tax regime, etc.

INDEPENDENT AUDITOR'S REPORT

To
the Members of
Kanpur Plastipack Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Kanpur Plastipack Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows for the year ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give true and fair view of the financial position, financial performance including other comprehensive income and Cash Flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its Cash Flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of

India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

   e. on the basis of the written representations received from the Directors, taken on record by the Board of Directors as on 29th May, 2017, none of the director is disqualified as on 31st March, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

   g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.

      ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

      iv. the Company has provided requisite disclosures in its Standalone Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For, **Pandey & Co.**
Chartered Accountants

CA Amit Pandey
(Partner)
Membership No.402377
Firm No. 000357C

Place: Kanpur
Date : 29th May, 2017

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March 2017, we report that:

(i) In respect of its Fixed Assets.

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company although the original title deeds of immovable properties are in custody of the bank.

(ii) In respect of its Inventories:

a. The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

(iii) The Company has not granted any loans, secured or unsecured to Companies, Firm, Limited Liability Partnerships (LLP) or other parties covered by clause (76) of Section 2 of the Companies Act, 2013.

(iv) The Company has not granted any loan to Directors and the investments made are not exceeding the limits as prescribed u/s 186(2), therefore, compliance to section 185 and 186 of Companies Act 2013 is not required.

(v) The Company has accepted the Deposits from Directors, Promoters, their relatives and Inter Corporate Deposits, the outstanding balance of which as on 31st March, 2017 is ₹247 Lacs.All these deposits are exempted deposits under Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013.

(vii)In respect of statutory dues:

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable.

b. According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, following is the status of dues relating to income tax, sales tax, duty of excise, service tax and value added tax.

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending	Remark on whether amount deposited or not.
Central Excise	Rebate claims	28.9	Financial year 2012-13 and 2013-14	Joint Secretary, New Delhi	Claim received. Departmental appeal pending.
Central Excise	Service tax on Common input service against exempted goods	41.78	Financial year 2009-10 to 2012-13	Commissioner Appeal, Kanpur	Not deposited. Departmental appeal pending.

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending	Remark on whether amount deposited or not.
Central sales Tax Act, 1956	Additional Tax	3.52	Financial year 2009-10	Appellate Tribunal Commercial Tax, Kanpur	20% deposited.
Income Tax Act, 1961	Income Tax	201.00; Income disputed. NIL Demand. Outstanding tax deposited under protest.	Financial year 2011-12	ITAT, Lucknow	Tax deposited under protest.
Income Tax Act, 1961	Penalty U/S 271(AAA)	200.00; out of above disputed income penalty proceedings initiated and pending on 200 lacs	Financial year 2011-12	ACIT Central Circle, Kanpur	

VIII. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

IX. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

X. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

XI. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

XII. The Company is not a Nidhi Company. Accordingly, paragraph 3(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 the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

XV. During the year, the Company has allotted 39,79,624 fully paid up equity shares as bonus, in the ratio of 1:2 to its equity shareholders. The same has been listed on the Bombay Stock Exchange accordingly.

XVI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with it.

XVII. The Company does not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, **Pandey & Co.**
Chartered Accountants

CA Amit Pandey
(Partner)
Membership No.402377
Firm No. 000357C

Place: Kanpur
Date : 29th May, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kanpur Plastipack Limited ("the Company") as of 31st March, 2017 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **Pandey & Co.**
Chartered Accountants

CA Amit Pandey
(Partner)
Membership No.402377
Firm No. 000357C

Place: Kanpur
Date: 29th May, 2017

BALANCE SHEET

AS AT 31ST MARCH, 2017

₹ in Lacs

Particulars		Note No.	As at 31st March, 2017	As at 31st March, 2016
I.	**Equity And Liabilities**			
1	**Shareholders' Funds**			
	a. Share capital	2	1,393.88	995.92
	b. Reserves and Surplus	3	6,788.13	6,061.61
			8,182.01	**7,057.53**
2	**Non-Current Liabilities**			
	a. Long-Term Borrowings	4	1,254.16	1,496.33
	b. Deferred Tax Liabilities (Net)	5	820.26	740.91
	d. Long Term Provisions	6	469.23	437.80
			2,543.65	**2,675.04**
3	**Current Liabilities**			
	a. Short-Term Borrowings	7	6,073.87	4,334.83
	b. Trade Payables	8	482.84	598.69
	c. Other Current Liabilities	9	1,351.04	1,123.85
	d. Short-Term Provisions	10	1,291.75	1,519.13
			9,199.50	**7,576.50**
	Total		**19,925.16**	**17,309.07**
II.	**Assets**			
1	**Non-Current Assets**			
	a. Fixed Assets	11	7,320.33	6,961.80
	b. Non-current investments	12	6.09	6.36
	c. Long term loans and advances	13	530.18	399.75
	d. Other non-current assets	14	40.35	55.93
			7,896.95	**7,423.84**
2	**Current Assets**			
	a. Current investments	15	607.62	-
	b. Inventories	16	3,986.07	2,903.39
	c. Trade receivables	17	5,202.93	4,449.05
	d. Cash and cash equivalents	18	94.47	105.80
	e. Short-term loans and advances	19	2,137.12	2,426.99
			12,028.21	**9,885.23**
	Total		**19,925.16**	**17,309.07**
III.	**Significant Accounting Policies and Notes to Accounts**	1 to 26		

As per our report of even date attached

For **Pandey & Company**
Chartered Accountants

Amit Pandey
Partner
Membership No 402377
Firm Regn No 000357C

Place: Kanpur
Dated : 29th May, 2017

For and on behalf of the Board of Directors

Arvind Gunjan
Chief Financial Officer

Ankur Srivastava
Company Secretary

Manoj Agarwal
Managing Director

Shashank Agarwal
Deputy Managing Director

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lacs

	Particulars	Note No.	2016-2017	2015-2016
	Income			
I.	Revenue from operations	20	24,551.40	24,861.18
II.	Other Income	21	124.54	118.91
III.	**Total Revenue (I+II)**		**24,675.94**	**24,980.09**
IV.	**Expenditure:**			
	a. Materials Consumed	22	13,393.55	13,556.84
	b. Purchases of stock-in-Trade		72.52	10.91
	c. Changes in Inventories (Increase)/decrease in stock	23	(458.57)	315.91
	d. Employee benefit Expenses	24	2,188.57	1,580.01
	e. Depreciation and Amortization of Assets	11	418.86	411.36
	f. Finance Costs	25	649.93	765.61
	g. Other Expenses	26	6,131.65	5,763.33
	Total expenses		**22,396.51**	**22,403.96**
V.	Profit before exceptional and Extraordinary items and Tax		2,279.43	2,576.13
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		2,279.43	2,576.13
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		2,279.43	2,576.13
X.	Tax Expenses :			
	a. Current Income Tax		773.00	785.00
	b. Deferred Income Tax		79.35	145.54
			852.35	930.54
XI.	**Profit for the year after Tax**		**1,427.08**	**1,645.59**
XII.	Earning per equity Share (in ₹)		11.71	13.54
XIII.	**Significant Accounting Policies and Notes to Accounts**	1 to 26		

As per our report of even date attached

For **Pandey & Company**
Chartered Accountants

Amit Pandey
Partner
Membership No 402377
Firm Regn No 000357C

Place: Kanpur
Dated : 29th May, 2017

For and on behalf of the Board of Directors

Arvind Gunjan
Chief Financial Officer

Ankur Srivastava
Company Secretary

Manoj Agarwal
Managing Director

Shashank Agarwal
Deputy Managing Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lacs

Particulars	2016-2017	2015-2016
Cash flow from Operating Activities:		
Profit before Tax and extraordinary items	**2,279.43**	**2,576.12**
Adjustments for:		
Depreciation	418.86	411.36
(Profit) / Loss on Sale of Fixed Assets	39.91	17.31
Interest Received	(112.13)	(114.71)
Finance Cost	649.93	765.61
Operating Profit before working capital changes	**3,276.00**	**3,655.69**
Adjustments for:		
Trade and Other Receivables	(578.86)	(914.97)
Inventories	(1,082.68)	363.05
Trade Payables, Other Liabilities & Provisions	(112.81)	102.58
Cash Generated from operations	**1,501.65**	**3,206.36**
Income Tax (excl. Deferred Tax)	(788.05)	(798.70)
Cash Flow before extraordinary items	713.60	2,407.66
Extraordinary Items	-	-
Net cash from Operating Activities	**713.60**	**2,407.66**
Cash flow from Investing Activities		
Purchase of Fixed Assets	(842.94)	(867.48)
Sale/Adjustment of Fixed Assets	65.56	130.15
Acquisition of Companies	-	-
Purchase of Investments	(607.62)	-
Sale/Adjustment of Investments	(0.27)	(0.54)
Interest Received	112.13	114.71
Dividend Received	-	-
Profit / (Loss) on Sale of Fixed Assets	(39.91)	(17.31)
Net Cash used in Investing Activities	**(1,313.05)**	**(640.47)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lacs

Particulars	2016-2017	2015-2016
Cash flow from Financing Activities:		
Proceeds from issue of Share Capital alloted as Bonus shares (Right Issue)	-	-
Decrease in General Reserve	-	-
Uilisation for issue of Equity Shares	-	-
(Increase)/Decrease in Foreign Currency Monetary Item Translation Difference Account	-	8.91
Proceeds from Long Term Borrowings		
a. Secured (Bank / Institutions)		
For Working Capital	1,739.04	(287.74)
For Fixed Assets	(242.17)	(484.91)
b. Unsecured		
Finance Cost	(649.93)	(765.61)
Dividend Paid / Proposed (incl. Dividend Tax)	(258.82)	(287.25)
Net Cash used in Financing Activities	**588.12**	**(1,816.60)**
Net increase/(decrease) in cash and cash equivalents	(11.33)	(49.41)
Cash and Cash Equivalents as at 31.03.2016 (Opening Balance)	105.80	155.21
Cash and Cash Equivalents as at 31.03.2017 (Closing Balance)	94.47	105.80

As per our report of even date attached

For **Pandey & Company**
Chartered Accountants

Amit Pandey
Partner
Membership No 402377
Firm Regn No 000357C

Place: Kanpur
Dated : 29th May, 2017

For and on behalf of the Board of Directors

Arvind Gunjan
Chief Financial Officer

Ankur Srivastava
Company Secretary

Manoj Agarwal
Managing Director

Shashank Agarwal
Deputy Managing Director

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 2 Share Capital

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
1 Authorised Capital		
(in Lacs) 200.00 Equity Shares of ₹10/- each (Previous Year (in Lacs) 160.00 Equity Shares of ₹10/- each)	2,000.00	1,600.00
(in Lacs) 20.00 Preference Shares of ₹10/- each (Previous Year (in Lacs) 40.00 Equity Shares of ₹10/- each)	200.00	400.00
	2,200.00	**2,000.00**
2 Issued, Subscribed and Paid-up Capital		
(in Lacs) 119.39 (Previous year (in Lacs) 79.59) Equity Shares of ₹10/- each each fully paid up		
a. Opening of Equity Shares	795.92	795.92
Add : Bonus Shares	397.96	-
	1,193.88	**795.92**
b. (in Lacs) 20.00 (Previous year (in Lacs) 20.00) 12% Redeemable Cumulative Preference Shares of ₹10/- each fully paid up.	200.00	200.00
	1,393.88	**995.92**

Note - 3 Reserves and Surplus

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
1 General Reserve		
- Opening Balance	324.33	294.33
Add : Transferred from statement of profit & loss	-	30.00
Closing Balance	**324.33**	**324.33**
2 Surplus in Statement of Profit and Loss		
a. Opening Balance	5,737.28	4,336.74
b. Add: Profit for the Year	1,427.08	1,645.58
c. Add: Taxs for Earlier Years	(15.05)	(13.70)
	7,149.31	**5,968.62**
Less :Appropriation		
(i) Transferred To General Reserves	-	30.00
(ii) Issue of Bonus Shares from Previous Year Surplus	397.96	-
(iii) Interim Dividend on Equity Shares for the Year(Amount per Equity Share ₹ NIL , Previous Year ₹1.20/-)	-	95.51
(iv) Proposed Final Dividend on Equity Shares for the Year (Amount per share ₹1.80/- , Previous Year ₹0.60 /- per Equity Share)	214.90	47.76
(v) Dividend paid on Preference Shares for the Year (Current Year ₹ NIL, Previous Year 12% on ₹200 Lacs)	-	24.00
(vi) Proposed Dividend on Preference Shares (Current Year 12% p.a. on ₹200.00 lacs, Previous Year NIL)	24.00	-
(vii) Tax on Dividend on Equity Shares	43.75	29.17
(viii) Tax on Dividend on Preference Shares	4.90	4.90
	685.51	**231.34**
	6,463.80	**5,737.28**
	6,788.13	**6,061.61**

Note : In accordance with the consent of Shareholders dated 15/09/2016 and in- principle approval of the Bombay Stock Exchange dated 19/09/2016, the Company has capitalised its profit of ₹397.96 (in Lacs) on 27/09/2016 and allotted 39.79 (in Lacs) Equity Shares as Bonus Shares to its existing Equity Shareholders.

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 4 Long Term Borrowings

₹ in Lacs

Particulars		As at 31st March, 2017	As at 31st March, 2016
Secured Loans			
1	Term Loans	1,024.22	1,169.93
2	Vehicle Finance under Hire purchase	45.94	32.40
		1,070.16	**1,202.33**
Unsecured Loans			
1	Deposits		
2	Inter Corporate Deposits	109.00	219.00
		75.00	75.00
		184.00	**294.00**
		1,254.16	**1,496.33**

4.1 Term Loans from State Bank Of India in INR , Balance Outstanding is (₹ in Lacs) 1024.22 , (₹ in Lacs) (Previous Year 1169.93).

4.2 The above Term Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, Spares,Book Debts,Export Documents and mortgage of Fixed Assets)

4.3 The above Term Loans have been guaranteed (personal) by Chairman Emeritus, Managing Director and Deputy Managing Director of the Company.

4.4 Vehicle Finance under Hire purchase is Secured by Hypothecation of Vehicle and are repayable over a period of 5 Years. Total No. of Lease payments at the Balance Sheet date are as under :

(i) not later than 1 Year (Shown under Current Maturity ₹22.89 Lacs)

(ii) Later than 1 Year and not later than 5 Years (₹45.94 Lacs).

(iii) Later than 5 Year is ₹ NIL.

4.5 Outstanding Unsecured Deposits amounting to (₹ in Lacs) 109.00 (Previous year (₹ in Lacs)219.00 and is for 3 Years and Interest Rate is 12.5%.

4.6 Outstanding Unsecured Inter Corporate Deposits(₹ in Lacs) 75.00 (Previous year (₹ in Lacs) 75.00) and is for 3 Years and Interest Rate is 12.5%.

Note - 5 Deferred Tax Liability (Net)

₹ in Lacs

Particulars		As at 31st March, 2017	As at 31st March, 2016
1	**Deferred Tax Liabilities**		
	Depreciation and amortisation	1,047.07	946.26
2	**Deferred Tax Assets**		
	Employee benefits	(226.81)	(205.35)
		820.26	**740.91**

Note - 6 Long Term Provisions

₹ in Lacs

Particulars		As at 31st March, 2017	As at 31st March, 2016
1	Provision for Employee Benefits (Gratuity)	469.23	437.80
		469.23	**437.80**

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 7 Short-Term Borrowings

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Secured Loans		
1 Working Capital Loans in INR	6,073.87	4,334.83
	6,073.87	**4,334.83**

7.1 Working Capital Loans from State Bank of India in INR in Cash Credit (Hypo) , Export Packing Credit & Cash Credit (Book Debts), Balance Outstanding (₹ in Lacs) 3335.23 (previous year (₹ in Lacs) 1622.42).

7.2 Working Capital Loan from State Bank of India in INR in Export Bill Purchase, Balance Outstanding (₹ in Lacs) 2372.76 (previous year (₹ in Lacs) 2318.35).

7.3 Working Capital Loans in INR from State Bank of India in Cash Credit Limits under E-DFS Scheme, Balance Outstanding of (₹ in Lacs) 365.88 (previous year (₹ in Lacs) 394.06) Consignment Stockist (IOCL) Division.

7.4 The above Working Capital Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, Spares,Book Debts, Export Documents and mortgage of Fixed Assets.

7.5 The above Working Capital Loans have been guaranteed (Personal) by Chairman Emeritus, Managing Director and Deputy Managing Director.

Note - 8 Trade Payables

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Secured Loans		
1 Trade Payable for purchase of Raw Material & Store,Spares	299.98	353.21
2 Trade Payable for Services Received	182.86	245.48
	482.84	**598.69**

8.1 (Including (₹ in Lacs) 19.54 (Previous Year ₹249.58 in Lacs)of Consignment Stockist (IOCL) Division.

8.2 Trade Payable for Materiel/Supplies includes ₹ in Lacs NIL (previous year (₹ in Lacs) NIL) due to Micro, Small and Medium Enterprises.

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 9 Other Current Liabilities

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Current Maturities of :		
1 Long Term Debt	710.00	675.00
2 Finance Lease Obligations on vechile	22.89	21.00
3 Finance Lease Obligations to UPSIDC Ltd.	-	8.52
4 Deposits	63.00	13.00
Others:		
1 TDS Payable	11.96	18.35
2 Unpaid Dividend	40.35	48.70
3 Unpaid-salary & wages	142.79	92.89
4 Outstanding Liabilities	360.05	246.39
	1,351.04	**1,123.85**

Note - 10 Short-Term Provisions

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for :		
1 Provision for Income Tax (AY 2015-16)	-	465.00
2 Provision for Income Tax (AY 2016-17)	-	785.00
3 Provision for Income Tax (AY 2017-18)	773.00	-
4 Proposed dividend on equity/perference shares	238.90	47.76
5 Tax on Dividend	48.65	9.73
6 Provision for Quality Claim	31.06	25.31
7 Employee Benefits (Leave Wages/Bonus)	200.14	166.78
8 Provision for Bad and Doubtfull Debts	-	5.88
9 Provision for Non-Moving and Obsolete Stock	-	13.67
	1,291.75	**1,519.13**

NOTES FORMING PART OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 11 Fixed Assets & Depreciation

₹ in Lacs

Name of Assets	Gross Block				Depreciation				Net Block	
	Opening 01st April, 2016	Adj. /sales during the year	Additions during the year	Total as at 31st March, 2017	Up to 31st March, 2016	Adj. during the year	Dep. for the period	Total up to 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Land (Lease hold)	468.56	-	-	468.56	44.75	-	4.82	49.57	418.99	423.81
Land (Freehold)	401.90	-	260.78	662.68	-	-	-	-	662.68	401.90
Building	1,437.32	-	155.42	1,592.74	388.48	-	45.19	433.67	1,159.07	1,048.84
Plant & Machinery	6,108.67	78.65	358.20	6,388.22	1,729.73	19.86	272.88	1,982.75	4,405.47	4,378.94
Plant & Machinery (Solar)	316.91	-	-	316.91	10.84	-	12.14	22.98	293.93	306.07
Electric installations	367.93	1.18	3.38	370.13	139.22	1.06	39.77	177.93	192.20	228.71
Furniture & fixtures	75.68	0.83	14.54	89.39	41.75	0.83	5.48	46.40	42.99	33.93
Office Equipment	279.89	-	16.30	296.19	249.75	-	20.43	270.18	26.01	30.14
Vehicles	161.54	24.89	34.32	170.97	52.07	18.24	18.15	51.98	118.99	109.47
Total	**9,618.40**	**105.55**	**842.94**	**10,355.79**	**2,656.59**	**39.99**	**418.86**	**3,035.46**	**7,320.33**	**6,961.80**
Previous year figures	**8,905.71**	**154.79**	**867.48**	**9,618.40**	**2,269.87**	**24.64**	**411.36**	**2,656.59**	**6,961.80**	**6,635.84**

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 12 Non-Current Investments

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
A. Investment in Property		
Unquoted		
Share in Property of Mahindra Holidays and Resorts India Ltd.	6.09	6.36
	6.09	**6.36**

(₹ in Lacs) 6.09 (previous year (₹ In Lacs) 6.36) invested in Membership for full use of all club services and facilities of Mahindra Holidays and Resorts India Limited. (Period 01st May' 2014 to 30th April'2039) (Amortised Membership Fees during the life i.e 25 Years)

Note - 13 Long Term Loans and Advances

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
1 Capital Advance / Assets		
a. Unsecured, Considered Good		
i. Capital Work in Progress	296.92	152.01
b. Secured, Considered Good :	-	-
c. Doubtful	-	-
	296.92	**152.01**
2 Security Deposit		
a. Secured, Considered Good :		
i. Other Deposit		
- Stamp Duty paid Under Protest	31.52	31.52
- Interest accrued on Security deposit.	13.37	24.75
- Security Deposits to Govt. & Others	188.37	191.47
	233.26	**247.74**
b. Unsecured, Considered Good	-	-
c. Doubtful	-	-
	233.26	**247.74**
	530.18	**399.75**

Note - 14 Other Non-Current Assets

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
1 Miscellaneous Expenses(to the extent not written off)	-	7.23
2 Unclaimed Dividend	40.35	48.70
	40.35	**55.93**

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 15 Current Investment

₹ in Lacs

	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Investment in Fixed Deposits (Shri Ram Transport Finance Company Limited)	100.00	-
2	Investment in Mutual Fund's	507.62	-
		607.62	**-**

Note - 16 Inventories

₹ in Lacs

	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	Raw Material	1,812.45	1,251.42
2	Raw Material (in Transit)	245.20	139.40
3	Goods -in-Process	1,489.08	1,114.74
4	Finished Goods	216.63	132.40
5	Stores & Spares/ Others	222.71	236.91
6	Jigs and Fixtures	-	28.52
		3,986.07	**2,903.39**

Note - 17 Trade Receivables

₹ in Lacs

	Particulars	As at 31st March, 2017	As at 31st March, 2016
1	**Outstanding for more than six months:**		
	Considered good	0.17	0.34
	Considered Doubtful	-	19.72
2	**Others:**		
	Consdidered good (Including (₹ in Lacs) 403.44 of Consignment Stockist Division (previous year (₹ in Lacs) 658.28)	5,202.76	4,428.99
		5,202.93	**4,449.05**

Of the above, amounts:

a. Secured, considered good(₹ Nil, Previous Year ₹ NIL)

b. Unsecured, considered good(₹5202.93 lacs, Previous year ₹4449.05 lacs)

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 18 Cash and Bank Balances

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
1 Cash in hand	3.19	4.06
2 Balances with scheduled banks		
(i) in current accounts	12.92	28.99
(ii) in Fixed Deposit (Margin Money for Bank Guarantee/Letter of Credit)	78.36	72.75
	94.47	**105.80**

Note - 19 Short-Term Loans and Advances(Unsecured)

(Unsecured and Considered Good)

₹ in Lacs

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Advance tax and tax deducted at source.		
1 Income Tax Demand (A/Y 2008-09.)	-	5.00
2 Advance Tax(A/Y 2010-11)	-	1.98
3 Advance Tax(A/Y 2012-13)	110.22	71.32
4 Advance Tax(A/Y 2013-14)	-	35.10
5 Advance Tax(A/Y 2015-16)	-	470.91
6 Advance Tax(A/Y 2016-17)	5.82	685.39
7 Advance Tax(A/Y 2017-18)	666.00	-
	782.04	**1,269.70**
(b) Others loans & advances considered good		
1 Advance to Staff	13.86	12.92
2 Pre-paid Expenses	53.28	41.91
3 Advances to Suppliers & Others	183.30	179.94
4 Interest Recoverable under TUF Scheme / others	45.58	74.39
5 VAT Recoverable	63.99	55.37
6 Excise Duty/Service tax Recoverable	292.48	226.04
7 Excise Duty/Service tax Recoverable (Under Rebate / Refund)	702.59	560.25
8 Insurance Claim Receivable	-	6.48
	1,355.08	**1,157.29**
	2,137.12	**2,426.99**

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 20 Revenue From Operations

₹ in Lacs

Particulars	2016-2017	2015-2016
(I) Sale of Products		
i. Plastic Products(Indigenous)	3,443.20	3,336.53
ii. Plastic Products (Export)	19,783.53	20,336.59
iii. Sale of By-Product	527.28	549.35
iv. Trade Tax/VAT Collected on Sales	166.92	156.51
	23,920.93	**24,378.98**
(II) Other Operating Revenue		
v. Export Incentive(Focus Market/Product scheme)	419.68	304.95
vi. Profit/(Loss) on forward foreign exchange export contracts	(4.37)	(1.07)
vii.Foreign Exchange fluctuation on Export Sale	326.94	285.19
viii. Job Work Receipt	134.53	108.34
ix. Commission received(on Consignment Stock sales IOCL)	60.00	67.69
x. Sale of scrap	45.07	59.57
xi. Sale - Electricity (Solar Power)	41.25	29.06
	1,023.10	**853.73**
Total Revenue From Operations (I+II)	**24,944.03**	**25,232.71**
Less : Excise Duty	392.63	371.53
	24,551.40	**24,861.18**

Note - 21 Other Income

₹ in Lacs

Particulars	2016-2017	2015-2016
(i) Miscellaneous income	1.52	4.20
(ii) Interest Receipts	112.13	114.71
(iii) Profit on Sale of Investment	10.89	-
	124.54	**118.91**

Note - 22 Consumption of Materials

₹ in Lacs

Particulars	2016-2017	2015-2016
Opening Stock :		
Raw Materials	1,251.42	1,220.00
Add : Purchases	13,954.58	13,599.17
Less : Closing Stock	1,812.45	1,251.42
Materials Consumed	**13,393.55**	**13,567.75**

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 23 (Increase) Decrease in Stock

₹ in Lacs

Particulars	2016-2017	2015-2016
Opening Stock :		
Goods in Process	1,114.74	1,330.60
Finished Goods	132.40	232.47
Less : Closing Stock		
Goods in Process	1,489.08	1,114.74
Finished Goods	216.63	132.40
(Increase) Decrease in Stock	**(458.57)**	**315.91**

Note - 24 Employee Benefits Expenses

₹ in Lacs

Particulars	2016-2017	2015-2016
i. Salaries, Wages ,Bonus & Others	1,637.02	1,093.37
ii. Contribution to Provident and other Funds	151.59	132.37
iii. Gratuity	61.83	82.75
iv. Staff welfare expenses	130.50	61.53
v. Directors' Remuneration	116.98	106.24
vi. Directors' Commission	90.65	103.75
	2,188.57	**1,580.01**

Note - 25 Finance Costs

₹ in Lacs

Particulars	2016-2017	2015-2016
i. Interest to Bank & others	491.23	541.65
ii. Interest on Deposits	34.06	45.33
iii. Bank Charges	116.25	110.33
iv. Foreign Currency Exchange Gains/(Losses), (Net) on Term Loan & Others	8.39	68.30
	649.93	**765.61**

Note - 26 Other Expenses

₹ in Lacs

Particulars	2016-2017	2015-2016
(a) Manufacturing Expenses		
i. Stores & Spare parts Consumed	476.78	419.57
ii. Jigs and Fixtures	-	7.13
iii. Machinery Repairs	39.55	49.28
iv. Oil & Lubricant	57.45	55.90
v. Processing charges	1,863.84	1,881.24
vi. Power & Fuel Consumed	1,547.28	1,462.61
vii.Carriage Inward	45.21	40.31
viii. Provision for Non-Moving and Obsolete Stock	-	13.67
	4,030.11	**3,929.71**

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 26 Other Expenses (Contd...)

₹ in Lacs

Particulars	2016-2017	2015-2016
(b) Selling and Distribuation Expenses		
i. Payroll of Sales and Marketing Persons		
: Salaries, wages and bonus	73.28	56.10
: Contribution to provident and other funds	5.96	4.39
: Travelling and entertainment	15.82	16.44
ii. Advertisement	3.74	5.68
iii. Commission on Sales (Export)	137.41	67.23
iv. Sales Promotion	25.10	22.84
v. Carriage Outward(Incl.Sea Freight)	971.51	840.81
vi. Loading & Unloading	48.55	39.23
vii. Rejection & Shortage on Sales	0.44	5.92
viii. Quality Claim Expenses	22.80	25.68
ix. Discount on Sales	2.80	4.77
x. Trade Tax	166.92	156.51
xi. Detention / Demmurage Charges	0.13	0.18
xii. Bad Debts written off	30.03	-
xiii. Provision for Bad and Doubtfull Debts	-	5.88
	1,504.49	**1,251.66**
(c) Establishment Expenses		
i. Travelling and conveyance	18.51	12.61
ii. Directors' Travelling(Incl.Foreign Travel)	28.29	44.09
iii. Printing and Stationery/ Books and Periodicals	25.52	21.10
iv. Vehicle Maintenance	21.13	21.69
v. Rent	62.77	52.74
vi. Rates and taxes	31.10	22.75
vii. Corporate Social Responsibility	40.00	31.95
viii. Communication Expenses	37.84	38.35
Auditors' Remuneration		
: Audit Fees	1.10	1.10
: Tax & Vat Audit Fees	0.60	0.60
: Management Services	1.60	1.60
ix. Subscription and Memberships	4.61	8.98
x. Insurance Expenses	48.28	42.19
xi. Meeting ,Recruitment & Training Expenses	29.72	13.39
xii. Miscellaneous/Other expenses	4.78	6.82
xiii. Service Tax Expenses	26.70	13.16
xiv. Donation	0.26	0.92
xv. Legal and professional expenses	98.08	128.71
xvi. Repairs and maintenance		
:Buildings	24.02	58.84
:Office & Computer equipments	15.67	17.14
xvii Honorarium to Chairman Emeritus	24.00	24.00
xviii. Directors' Sitting Fees	3.98	4.01
xix. Expenses Realting to Earlier Year	1.35	(3.54)
xx. Right issue Expenses written off	7.23	1.45
xxi. Loss on sale of Fixed Assets (Non trade)	39.91	17.31
	597.05	**581.96**
	6,131.65	**5,763.33**

FOR THE YEAR ENDED 31ST MARCH, 2017

Note - 1

A. Corporate information

Kanpur Plastipack Limited was incorporated in 1971 and is engaged in the business of manufacture of HDPE/PP Woven Sacks , PP Box Bags, Flexible Intermediate Bulk Containers (FIBC's), Fabrics and High Tenacity PP Multifilament Yarn (MFY) .

B. Significant accounting policies :

The significant accounting policies have been predominantly presented below in order of the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

B.1 Basis of preparation of standalone financial statements:

The standalone financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable, Accounting Standards ('AS')/Guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and other Generally Accepted Accounting Principles in India.

All amounts included in the financial statements are reported in Indian rupees, unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

B.2 Use of Estimates :

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

B.3 Inventories :

Inventories are valued as under

Finished Goods	:	At lower of cost or net realisable value
Raw Materials	:	At lower of cost or net realisable value
Stores & Spare Parts	:	At lower of cost or net realisable value
Scrap Moulds	:	At estimated realisable value

B.4 Foreign Currency Transactions (AS-11):

a) Current assets and current liabilities relating to foreign currency transactions are normally recorded at the exchange rate prevailing at the time of transaction and Profit or Loss on outstanding foreign currency contracts has been accounted for at the exchange rate prevailing at the close of the year.

b) The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2011 relating to Accounting Standards 11 Accordingly, the effect of (AS-11) notified by Government of India on 11th May, 2011. exchange differences on foreign currency loans of the company is accounted by transfer to 'Foreign Currency Monetary Items Translation Difference Account' Included under the head "Reserves and Surplus" to be amortized over the balance period of the long term monetary items or period up to end of the reporting period, whichever is earlier.

B.5 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises Cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily

convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

B.6 Cash flow statement :

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

B.7 Tangible Fixed Assets

Fixed assets are carried at historical cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Assets are valued net of Mod-vat/ CENVAT claimed, wherever applicable.

B.8 Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

B.9 Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.

B.10 Depreciation and amortization

Depreciation has been provided on the straight-line method as per the useful lives prescribed in Part - C of Schedule II to the Companies Act, 2013

B.11 Revenue Recognition

a. Sale of Goods

Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised gross of excise duty but net of sales tax and value added tax.

b. Other income

Other income is accounted on accrual basis.

B.12 Investments

Non-current investments are stated at cost less other than temporary diminution in the value of such investments, if any.

B.13 Employee benefits

Long Term Benefits

a) The gratuity liability is a defined obligation plan and is provided in accordance with the provisions of the Payment of Gratuity Act, 1972.

b) Retirement benefits in the form of Provident Fund/Pension Scheme are defined contribution scheme and the contributions are charged to Profit & Loss Account of the year when contribution to the respective funds are due. There are no other obligations other than the contribution payable to the respective statutory authorities.

B.14 Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying fixed assets are capitalized, net of income earned on temporary investments of borrowings, by applying weighted average rate for eligible period. Other borrowing costs are charged to Profit and Loss Account.

Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.

B.15 Earnings per share

Basic earnings per share is computed by dividing the Earning Available to Equity Shareholders (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.



B.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. The Company has reviewed the Deferred Tax Assets(DTA), as on the Balance Sheet date. In the context of - uncertainty of generation of the profits in near future,Deferred Tax Assets has not been recognized.

B.17 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss,except in case of revalued assets.

B.18 Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.Contingent Assets have not been recognised.

B.19 Government Grants

Government grants are recognized when there is a reasonable assurance of compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy in the nature of promoter's contribution is credited to Capital Reserve. Government subsidy received for a specific asset is reduced from the cost of the said asset.

FOR THE YEAR ENDED 31ST MARCH, 2017

C. Share Capital

C.1 Details of Shareholders holding more than 5% shares in the Company

	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Mahesh Swarup Agarwal	1900680	15.92%	12,67,120	15.92%
Usha Agarwal	1482471	12.42%	9,88,314	12.42%
Manoj Agarwal	914818	7.66%	6,09,879	7.66%
MSA Investments & Trading Co. Pvt. Ltd.	748012	6.27%	4,98,675	6.27%
Shashank Agarwal	707485	5.93%	4,71,657	5.93%
KSM Exports Limited	627862	5.26%	4,18,575	5.26%

Note : During the year the Company has allotted 3979624 fully paid up equity shares as bonus in the ratio of 1:2 to its equity shareholders.

D. Corporate Social Responsibility :

The Company is covered under Section 135 of the Companies Act ,2013.

E. Contingent Liabilities :

		₹ in Lacs
Particulars	**2016-17**	**2015-16**
Counter Guarantees given to Bank for issue of performance guarantees by Bank.	777.85	803.74
Foreign bills discounted by the bank under Letter of Credit	18.72	26.75
Legal Undertakings submitted to DGFT under duty exemption Scheme for import of raw materials against which all exports have been completed and Advance Licenses are under redemption.	3445.00	3719.00
Labour cases pending with Labour Courts / High Court	8.50	7.50

Note : Contingent Liability on Legal Undertaking for Advance License has been reported only for Outstanding Bonds , where the Export Undertaking is yet to be completed by the Company as on 31/03/2017 and corresponding previous Year figures have been adjusted.

F. The company has made provision for gratuity on the basis of payment of Gratuity Act,1972.

G. Disclosure in respect of Specified Bank Notes held and transacted during the period 08/11/2016 to 30/12/2016

			in ₹
Particulars	**SBN**	**Other Denomination Notes**	**Total**
Closing cash in hand as on 08.11.2016	537500.00	140218.36	677718.36
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	537500.00	140218.36	677718.36
Closing cash in hand as on 30.12.2016	-	269166.36	269166.36

The company has not maintained any record of cash in hand segregating the cash in hand denomination wise. The increase in cash in hand, during the period, represents cash withdrawn from banks

FOR THE YEAR ENDED 31ST MARCH, 2017

H. Expenditure in Foreign Currency on FOB basis:

₹ in Lacs

Particulars	2016-17	2015-16
a. Raw Materials	1187.42	1091.27
b. Stores and Spare Parts	68.74	69.41
c.Travel	7.12	13.94
d. Plant and Machinery & Others	100.06	162.85
e. Sales Promotion & Commission on Export Sales	128.74	69.19

I. Earnings in Foreign Currency on FOB basis :

₹ in Lacs

Particulars	2016-17	2015-16
Export of Goods	19391.02	19788.83

J. Segment Reporting :

The Company has identified business segment as the primary segment which has been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of HDPE/PP Woven Sacks , PP Box Bags, Flexible Intermediate Bulk Containers (FIBC's), Fabrics and High Tenacity PP Multifilament Yarn (MFY). There is no reportable secondary segment i.e. Geographical Segment.

Information about Primary Segments :

₹ in Lacs

Particulars	Manufacturing Operations		Consignment Stockiest		Solar Power Division		Total Operations	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
1. Segment Revenue	24492.98	24771.96	141.71	161.76	41.25	29.06	24675.94	24980.09
Less:Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Sales/Income from Operations	24492.98	24771.96	141.71	161.76	41.25	29.06	24675.94	24980.09
2. Segment Results (Profit Before Tax and Interest)	2826.16	3210.03	76.69	113.67	26.51	18.03	2929.36	3341.74
Less : Unallocated Interest Finance Charges	619.78	713.70	23.81	45.03	6.34	6.88	649.93	765.61
Add : Other Unallowable income	-	-	-	-	-	-	-	-
Net of unallowable expenditure	-	-	-	-	-	-	-	-
Total Profit before tax	**2206.38**	**2496.33**	**52.88**	**68.64**	**20.17**	**11.16**	**2279.43**	**2576.13**

FOR THE YEAR ENDED 31ST MARCH, 2017

Information about Primary Segments : (contd...)

₹ in Lacs

Particulars	Manufacturing Operations		Consignment Stockiest		Solar Power Division		Total Operations	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
3. Capital Employed(Segment Assets - Segment Liabilities							8182.01	7057.53
4. Segment Assets(separate for solar division)							294.17	306.34
5. Depreciation(solar division)							12.18	8.50

K. The Assets and liabilities as mentioned in the Balance Sheet includes the following amount as related to Consignment Stockiest Division of the Company:

₹ in Lacs

Particulars	2016-17	2015-16
i. Trade Receivables	403.44	663.34
ii. Cash & Bank Balances	5.99	26.10
iii. Short Term Loans & Advances	310.96	237.19
iv. Reserves & Surplus	320.34	267.44
v. Trade Payable	18.39	249.58
vi. Other Current Liabilities	15.78	15.55
Vii. Short Term Borrowings	365.88	394.06

L. The Assets and liabilities as mentioned in the Balance Sheet includes the following amount as related to the Solar Power Division of the Company:

₹ in Lacs

Particulars	2016-17	2015-16
i. Fixed Assets	294.17	306.34
ii. Trade Receivables	-	-
iii. Cash & Bank Balances	-	-
iv. Short Term Loans & Advances	0.12	0.09
v. Reserves & Surplus	238.29	227.61
vi. Trade Payable	-	18.82
vii. Other Current Liabilities	-	-
Viii. Long Term Borrowings	56.00	60.00

FOR THE YEAR ENDED 31ST MARCH, 2017

M. Disclosure of transactions with related parties as required by Accounting Standard 18 (As identified by the management)

The company's related party transactions during the year and outstanding balances as on 31.03.2017 are as under:

(A) Details of Associate Companies

1. KSM Exports Ltd. - Associate Company
2. MSA Investment & Trading Co. Pvt. Ltd. - Associate Company
3. KPL Packaging Pvt. Ltd. - Associate Company

(B) Details of Key Management Personnel & their relatives

1. Mahesh Swarup Agarwal - Chairman Emeritus
2. Manoj Agarwal - Managing Director
3. Sunil Mehta - Executive Director
4. Shashank Agarwal - Deputy Managing Director
5. Usha Agarwal - Director
6. Manjari Agarwal - Relative of Director

Details of Transactions Nature

₹ in Lacs

	Associates Companies		Directors & their Relatives	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
1. Remuneration/Others	-	-	229.31	232.87
2. Interest on Deposits	9.38	9.38	24.68	35.64
3. Outstanding Fixed Deposits	75.00	75.00	172.00	232
4. Rent Paid	17.24	15.73	3.60	3.60
5. Rent Received	0.60	0.60	-	-
6. Sales- Plastic Products	51.99	46.52	-	-

FOR THE YEAR ENDED 31ST MARCH, 2017

N. Computation of Earning per Share (EPS) in accordance with Accounting Standard – 20 issued by the Institute of Chartered Accountants of India

Particulars	As at 31st March, 2017	As at 31st March, 2016
		₹ in Lacs
Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon)	1399.09	1616.69
Number of fully paid up equity share of ₹10/- each	119.39	79.59
Weighted average number of shares outstanding	119.39	79.59
Basic and Diluted Earning per Share	11.72	13.54

O. Amounts in the financial statements are rounded off to nearest ₹except stated otherwise.

P. The previous period figures have been regrouped/reclassified, wherever necessary, to conform to the current period presentation

Notes 1 (A to P) form an integral part of accounts.

As per our report of even date attached

For **Pandey & Company**
Chartered Accountants

Amit Pandey
Partner
Membership No 402377
Firm Regn No 000357C

Place: Kanpur
Dated : 29th May, 2017

For and on behalf of the Board of Directors

Arvind Gunjan
Chief Financial Officer

Ankur Srivastava
Company Secretary

Manoj Agarwal
Managing Director

Shashank Agarwal
Deputy Managing Director

PAPER LESS COMPLIANCE OF CORPORATE GOVERNANCE - GREEN INITIATIVE OF MCA

Dear Shareholder,

This is to inform you that the Ministry of Corporate Affairs (MCA) has taken a Green Initiative and Companies Act, 2013 has also allowed the Corporates, accordingly, to send their Notices, Annual Reports, etc. in electronic form. Accordingly, your Company wish to take part in the said Green Initiative and make its contribution towards providing green atmosphere by reducing the use of paper and inturn saving the cutting of trees.

Accordingly, you are requested to please register / update your e mail id with your Depository Participant (in case of Demat holding) / Company or its Registrar (in case of physical holding) to enable the Company to send the above through email instead of physical form.

Please also note that as a Member of the Company you are always entitle to request and receive, free of cost, a copy of Annual Report of the Company and other documents in physical form.

We look forward for your continued support to this unique initiative by the MCA and become a part as a savior of the green atmosphere.

Thanking you.
Yours faithfully,
For **Kanpur Plastipack Limited**

Sd/-
(Ankur Srivastava)
Company Secretary & Compliance Officer

Note:- Shareholders are requested to write to us or send an e-mail to register / update the email id along with the folio number at secretary@kanplas.com.

CIN: L25209UP1971PLC003444
Regd. Office : D-19-20, Panki Industrial Area, Kanpur-208 022

FORM OF PROXY

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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:.....

as my/or proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the Company to be held on Friday, the 15th day of September, 2017 at 12:00 Noon at D-19-20, Panki Industrial Area, Kanpur-208022 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	**Resolution**	**For**	**Against**
1.	Adoption of Audited Financial Statements for the year ended 31st March, 2017 together with the Reports of Auditors' and Directors' thereon		
2.	Declaration of Dividend		
3.	Re-appointment of Shri Mahesh Swarup Agarwal, who retires by rotation		
4.	Appointment of Statutory Auditors		
5.	Appointment of Shri Akshay Kumar Gupta as Independent Director		
6.	Re-appointment of Shri Manoj Agarwal as Managing Director		

Signed this .....day of....., 2017

Affix revenue Stamp

Signature of the shareholder.....

Signature of the Proxy holder(s).....

Note : The 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.

CIN: L25209UP1971PLC003444
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ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

(Joint Shareholders may obtain additional Attendance Slip on request)

I hereby record my presence at the 46th Annual General Meeting of the Company at 12:00 Noon. held on Friday, the 15th day of September, 2017

NAME OF THE SHAREHOLDER : (IN BLOCK LETTERS)	NO. OF SHARES HELD
SIGNATURE OF THE SHAREHOLDER :	Folio No.
NAME OF THE PROXY : (IN BLOCK LETTERS)	DP ID
SIGNATURE OF THE PROXY	Client ID

CIN: L25209UP1971PLC003444
Regd. Office : D-19-20, Panki Industrial Area, Kanpur-208 022

FEEDBACK FORM

Registration / Updation of E-maid id:-

Name of the Shareholder	Folio Number	Updated E mail ID

Signature of the Shareholder

NOTES

DISCLAIMER

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

KANPUR PLASTIPACK LTD

Providing Solutions for Industrial Bulk Packaging

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Email: secretary@kanplas.com
CIN: L25209UP1971PLC003444
www.kanplas.com

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