ANNUAL REPORT 2018-19

KANPUR PLASTIPACK LTD

Providing Solutions for Industrial Bulk Packaging

Investing for Growth



“Growth is never by mere chance; it is the result of forces working together.” – James Cash

Our journey to become one of the leading manufacturers of FIBCs and bulk bags has been about our constant endeavour to pursue blazing newer trails and emerge as the most distinguished brand in our industry.

By adopting top-notch technology, expanding our capacity and adapting our operational efficiency, we aim to achieve better cost-effectiveness while ensuring premium quality.

To accelerate our growth we are investing in building new capacities which will help in supporting our enviable strengths to become a leaner and growth-driven company.

Inside the Report



The cover design is an abstract rendition to illustrate how Kanpur Plastipack has set-forth on a journey towards growth. The forward-moving arrows build a connect with the theme of 'Investing for growth', showcasing the vision and passion of the Company.



« Visit our corporate website www.kanplas.com

Throughout the report look out for these

Reference to further reading online

Corporate Overview

02 KPL at a Glance
04 Message to the Shareholders
06 Financial Review
08 Diverse Product Portfolio
09 Global Footprint
10 Integrated Manufacturing
11 Driving Operational Excellence
12 Profile of Board of Directors
14 Corporate Social Responsibility
15 Corporate Information

Statutory Reports

17 Notice
27 Board's Report
55 Management Discussion & Analysis

Financial Statements

61 Independent Auditors' Report
70 Balance Sheet
71 Statement of Profit and Loss
72 Cash Flow Statement
75 Notes forming part of Financial Statements

KPL at a Glance

A fully integrated Industrial Bulk Packaging Solution provider, Kanpur Plastipack Limited has evolved into one of the world's leading manufacturers of FIBCs and bulk bags.

Our commitment to groundbreaking innovation and adoption of best-in-class technology over the past four decades has seen us establish ourselves as a brand with low cost of manufacturing, quality product offerings and a wide distribution network across the globe.

We owe our history of notably first and remarkable achievements to invaluable connections, trusted relationships, and our commitment to excellence. We have now renewed our focus on the growth strategy to evolve as a prominent leader in our industry space.



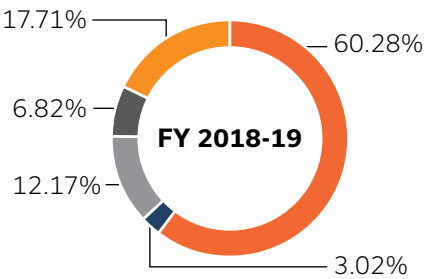
One-Shop-Solution

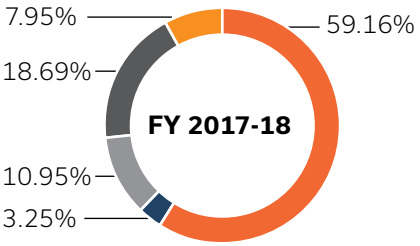
For all the packaging requirements

Integrated

Manufacturing facility (forward and backward) ensuring consistent quality

Revenue Mix
(in %)





- FIBC
- Fabric
- Small Bag
- Others
- MFY

Strategy for growth

Diverse Product Portfolio

Page 08 - Read more

Global Footprint

Page 09 - Read more

Integrated Manufacturing

Page 10 - Read more

Driving Operational Excellence

Page 11 - Read more

Message to the Shareholders



"The Company is geared up to improve its capacity utilisation particularly from the new facility during the current fiscal."

Q How would you summarise the year went by in terms of economic perspective?

India's economic growth remained robust, growing at 6.8% in FY19, despite several challenging macro-economic factors. Despite a weak fourth quarter, the yearly GDP positions the Country as the fastest growing economy in the world. On the other hand, the global economy grew moderately at ~3% with continued tensions between the US and China. This did help the Indian exporting community, where the players leveraged the cost of production and quality products compared to China. Further, a stable government at the centre in the recently concluded elections in India, will augment formation and implementation of policies for a stronger economic growth in the coming years.

Q How would you summarise the packaging industry scenario during the year under review?

In the last couple of years, the industry has been in a phase of expansion leading to pressures in the pricing and profitability of manufacturing companies. The next few years will also see a churning in the Indian FIBC industry, with marginal and unorganized players finding it difficult to sustain rising compliances and higher quality benchmarks. This would leave integrated manufacturing players like us to offer value-added products and grow sustainably.

Could you please elaborate on the competitiveness of Kanpur Plastipack amidst this evolving industry scenario?

Your company is favourably placed to capitalize on emerging opportunities by offering unmatched quality products with a growing customer base. The year gone by was dedicated towards improving the operational efficiency and setting up the new manufacturing facility. We now have the infrastructure for rapid scaling up and the investments made so far will help us in our growth trajectory. The customer acquisitions made during the last 18 months were at a record high, surpassing the numbers of the last two decades. This shows a strong affinity to 'brand' Kanpur Plastipack and validates the investments made by the company.

What reasons would you ascribe for a subdued performance during the year?

As we mentioned earlier, the industry is passing through a phase of overcapacity and rationalisation. This process of evolution has started to happen after a decade of almost double-digit growth. Globally demand has seen a dip with Inventory cut backs and uncertainties in Political and Economic scenarios all of which leading to pressures on margins. However, when we compare the financial performance with industry benchmarks, we have done well. Our revenues stood at ₹334 Crores, and our EBIDTA was ₹32.78 Crore. The increase in financial costs and depreciation led to a pressure on the bottom line. Teething troubles at the new plant are all over and the restructuring process under way will allow for improvements as we go along.

Do you believe that the new plant set up marks a stepping-stone for Kanpur Plastipack's Corporate Journey?

20th July, 2018 will remain a landmark day in the corporate history of the Company, where we commissioned our greenfield project almost a decade after we did our last major expansion in the year 2008. The current plant has been planned and built to world standards benchmarked to the best, enabling us to serve a wider global customer base and thereby adding to our existing customer portfolio. Our new plant is also certified for food grade by BRC (British Retail Consortium) which makes us among the few companies globally to produce packaging material that can serve clients in the food and chemicals sector. In addition, the infrastructure created at our facility will also allow us to ramp up capacity quickly and meet the growing demand in the coming years without significant investments.

What are the improvement areas that would help the Company achieve its targets?

As a strategic action plan the company's focus shall be to achieve economies of scale, improve productivity and focus on value-added products. The improved infrastructure and steps towards Operational Excellence will help us in customer retention. Attempts are being to widen the geographical spread of the company as well.

At Kanpur Plastipack we have been proactive in adapting practices that are future-ready. In 2011, the Company started the diversification process by introducing in its product portfolio high tenacity Multi-Filament Yarn (MFY). This has now become an independent vertical with five lines having a total manufacturing capacity of 550 MT per month. With our installed capacity of 6,600 MT MFY, we are currently the second largest player in the Country and the only one to produce a wide variety of Yarn products in bulk quantity.

In addition, we have also invested in our human capital, with a new Management team for different functionalities. These initiatives will eventually culminate to make our organization future-ready and seize every opportunity in an ever changing business environment.

What would be your message for the shareholders?

Kanpur Plastipack now stands at a pivotal point to transform into a market leader across its key products. World class facilities attract world class customers. This is the mantra that we worked upon and going forward we do believe that this mantra will work. In addition, our long-standing customer relationships remain a core strength to our brand, quality and sustainable future. The Company's inherent strengths of its legacy and its technical competence will help it to fight and offset adversities.

The year 2018-19 was a year under transition and we believe that now, with all the investments on capacity enhancement and improvements in the existing facilities, your company is all set to utilize the yield in the years to come. We are grateful to our shareholders who have always showed their belief on the Company.

Regards

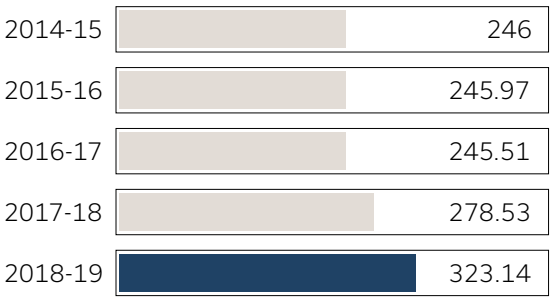
Manoj Agarwal
Managing Director

Shashank Agarwal
Deputy Managing Director

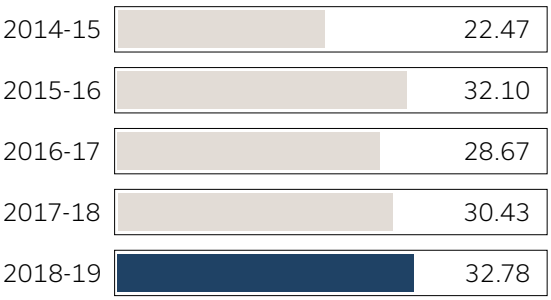
Financial Review

Statement of Profit and Loss Analysis

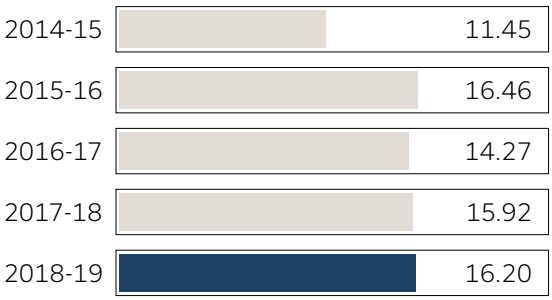
Revenue from Operations
(₹ in crore)



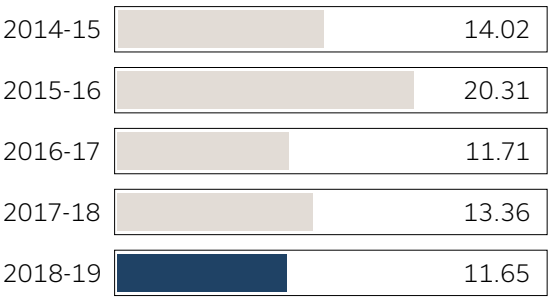
EBITDA
(₹ in crore)



PAT
(₹ in crore)

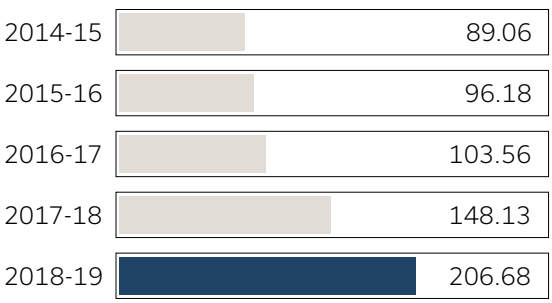


EPS
(in ₹)

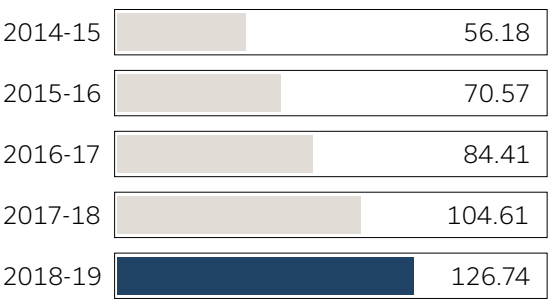


Balance Sheet Analysis

Gross Block
(₹ in crore)

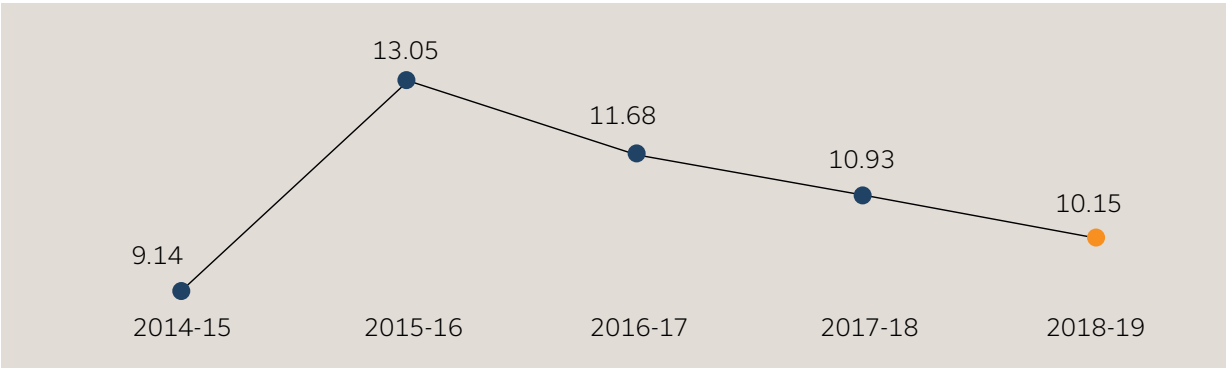


Net Worth
(₹ in crore)

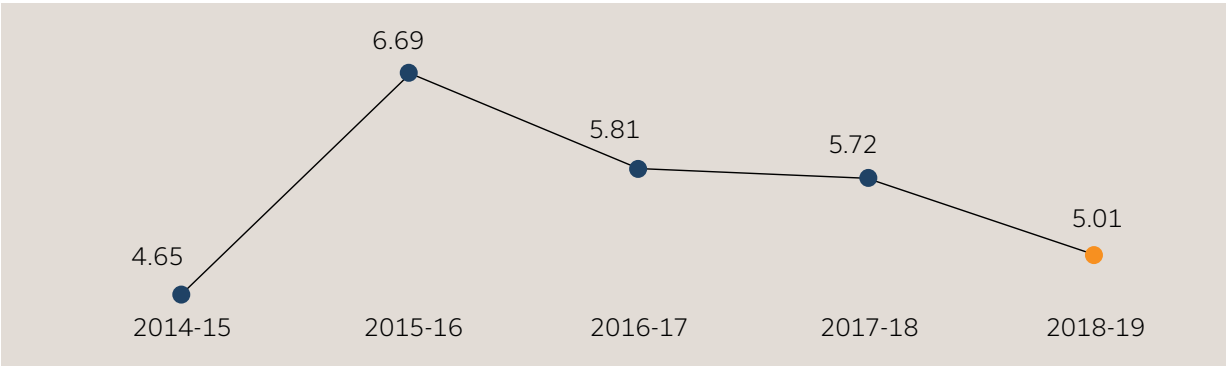


Key Ratio Analysis

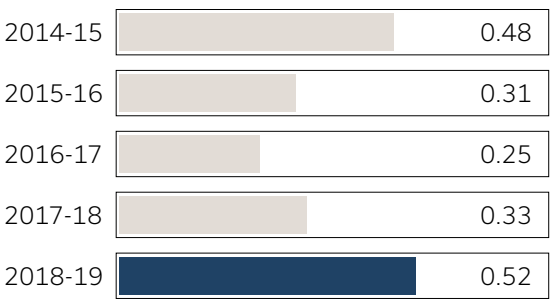
EBITDA Margin
(in %)



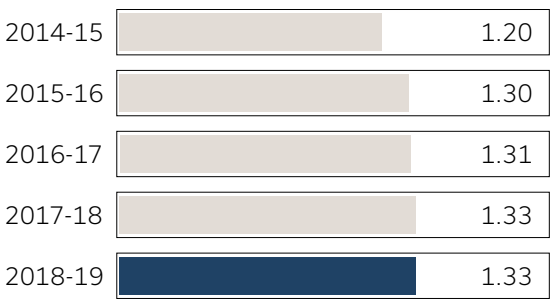
PAT Margin
(in %)



Debt – Equity Ratio
(in %)



Current Ratio
(in %)



Diverse Product Portfolio

Kanpur Plastipack Limited is uniquely equipped to provide solutions that meet the requirements of our diverse customer base. Our holistic combination of diverse products includes a broad and comprehensive range of FIBC bags, woven fabrics, MFY and accessories that helps us to serve markets across 40 Countries.

The Company believes in a continuous path of innovation and diversification. The yarn division has developed into an independent vertical which is seeing compounded growth. Efforts to introduce value added products to the portfolio are an ongoing process. The newly upgraded manufacturing facilities too will help us in bringing to the market a better range of FIBC's.

Our broad product pipeline and its application:

Flexible Intermediate Bulk Containers (FIBC)





Application

- Chemicals
- Fertilizers
- Food Products
- Grains
- Mining
- Construction
- Pigments
- Plastics
- Seed
- Peanuts

Fabrics



Application

- Packing
- Polypropylene(PP) Small Bags
- Polypropylene(PP) Box Bags
- Flexible Intermediate Bulk Container (FIBC)
- Manufacturer of Sand Bags
- Manufacturer of Dunnage Bags
- Manufacturer or bags used for food grains, cement, Fertilizers, etc

Multi-Filament Yarn (MFY)



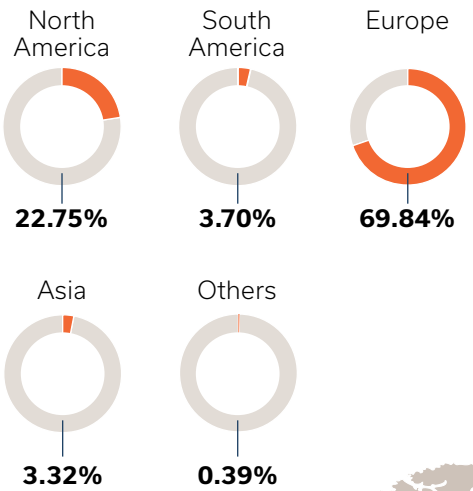
Application

- Rope
- Sewing Thread
- Handicraft
- Polypropylene Cloth
- Container Bag
- Shoe Lace
- Safety Net
- Belts
- Saddlery

Global Footprint

Kanpur Plastipack Limited has a strong market presence in international countries contributing to about 70% of the total revenue. Promoting the 'Make in India' philosophy since past four decades, we are a truly Indian company with a global presence.

Share of the revenue from exports in FY 2018-19



Some of the key differentiating factors that define our global presence are:

- Industry and market expertise to understand the consumer needs across different countries;
- Our ability to adhere and understand multiple regulations and laws in different countries;
- Expert knowledge about each packaging requirement for different products;
- Ability to meet stringent quality requirements with international benchmarks and certifications.



40+
Countries market presence

70%
of total revenue

Integrated Manufacturing

Kanpur Plastipack Limited manufactures various products for multiple applications in packaging for several donwstream customers. We are adding value in our manufacturing process through a two-pronged approach. One, we are expanding our capacities aligning it to the increasing market demands and varied customer aspirations. Two, we continue to upgrade our facilities and strengthen our integration process as it adds to our profitability levels and superior quality.

One of our key growth engine drivers over the years has been our relentless pursuit to offer quality and innovative products to our customers. We continue to remain one of the very few companies in the world who deliver unmatched solutions in Industrial Bulk Packaging with consistent service and top quality.

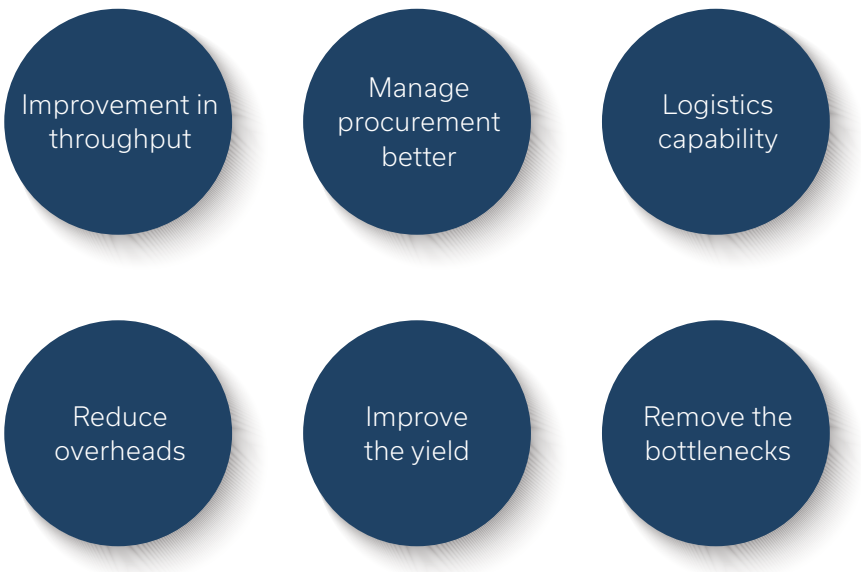
The quality quotient that defines our brand is built on the foundation of a strong integrated manufacturing set up. Following the commissioning of our new unit, we will be offering a wider variety of food grade bags from our certified facilities.





Driving Operational Excellence

With rising opportunities in the global and domestic markets, we have been significantly investing in human resources and in improving our operational efficiency. We have set up efficient technologies in both our existing as well as new plants translating into low production cost. The project on operational excellence is beginning to bear through which will lead to improve performance and strengthen our margins in the coming years.



"We are what we repeatedly do. Excellence, then, is not an act but a habit" - Aristotle

Production Addition in FY 2018-19:

600 tonnes

FIBC

6.23% Increase as compared to previous year

534 tonnes

MFY

21.54% Increase as compared to previous year

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 47 years. His able 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 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 is Masters in Management Studies from BITS, Pilani and has been guiding the Company's Operations for over 40 years. Under his able leadership the Company's operations have improved considerably. He holds vast experience in operations, administration & export marketing. He has been the past Chairman of the Plastics Export Promotion Council and a member of its COA, a Past President of the Tie UP chapter, Past President of Indian Flexible Intermediate Bulk Container Association, Member of the Management Committee of Plastindia foundation and is actively involved in a number of professional and social bodies.

Shri Shashank Agarwal
Deputy Managing Director

He holds a degree in B. Engg. (Hons.) (Manufacturing Engineering & Operation 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 about various improvements in the production and marketing strategies of the Company leading to a considerable improvement in 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 30 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 grown to multiple locations. He has been instrumental in improving the performance of the Company to world class levels.

Smt. Usha Agarwal
Woman Director

She is the first woman Director of the Company. She is 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. Actively involved in a number of social and philanthropic organizations in the leadership roles.

Shri Prem Singh Khamesra
Independent Director

He is a Fellow member of the Institute of Chartered Accountants of India and a founding partner of Khamesra Bhatia & Mehrotra Associates and has practiced for 26 years (from 1979 to 2005) 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
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.

Shri Dharam Bir Prasad
Additional Independent Director

He is a M.Sc. in Nuclear Physics and MBA (Honors) from Lucknow University. He retired from the State Bank of India after serving for over 35 years. He was last posted as the General Manager and Principal at the Staff Training Academy, Gurugram. He also gained wide experience in International Banking and Treasury Operations during a Four- and half-year stint in Frankfurt as Vice President (Control).

Corporate Social Responsibility

As a responsible business, we strive to create value not only for our shareholders but also for the community in which we operate. The main focus areas of our CSR initiative include promoting healthcare, providing training and skill development to youth and conducting sanitation programmes.

We have established a medical clinic at Village Nauraiya Kheda, Panki Industrial Area, Kanpur and conducted Medical camps for people who cannot afford proper medical facility as a part of our healthcare initiatives. We have also established a Training and Skill Development centre to conduct activities to improve the employability of the people.



₹50.03 Lacs
Spent towards CSR activities during FY 2018-19

10444
Patients treated in Medical Clinic during FY 2018-19



504
No. of patients in Medical Camps during FY 2018-19

117
People trained in our Training and Skill Development Centre during FY 2018-19

Corporate Information

Board of Directors

Chairman Emeritus
Mahesh Swarup Agarwal

Managing Director
Manoj Agarwal

Whole Time Directors
Shashank Agarwal
Sunil Mehta

Non Executive Woman Director
Usha Agarwal

Independent Directors
Prem Singh Khamesra
Subodh Kumar
Ram Gopal Bagla
Akshay Kumar Gupta
Dharam Bir Prasad

Company Secretary & Compliance Officer

Ankur Srivastava

CFO

Vishal Jain

Statutory Auditors

Rajiv Mehrotra & Associates
Chartered Accountants
Kanpur

Secretarial Auditors

Adesh Tandon & Associates
Company Secretaries
Kanpur

Bankers

State Bank of India
HDFC Bank

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

1. D-19-20, Panki Industrial Area, Kanpur-208 022
2. A-1/A-2, Udyog Kunj, Site V, Kanpur-208 022
3. Plot No. 185, Village Shyampur, Raipur-Gajner Road, Kanpur Dehat-209121

Corporate Identification Number

L25209UP1971PLC003444

Website

www.kanplas.com



Statutory Reports

NOTICE

NOTICE is hereby given that the 48th 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 Thursday, the 12th day of September, 2019 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, 2019 together with the Reports of Auditors and Directors thereon;

2. To consider declaration of Dividend;

3. To appoint a Director in place of Shri Shashank Agarwal (DIN: 02790029), who retires by rotation and being eligible, offers himself for re-appointment;

Special Business:

4. 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 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sunil Mehta be and is hereby reappointed as Executive Director for a period of 5 years w.e.f. 1st September, 2019 to 31st August, 2024 on the following terms and conditions as recommended by the Remuneration and Nomination Committees:-

1. Remuneration: ₹ 1,80,000 /- ₹ 25,000/- ₹ 2,80,000/- per month (Revised terms of appointment shall be effective w.e.f. 01/01/2020 and the increment will be due on 1st January each year).

2. Self Development Allowance: ₹ 25,000/- per month.

3. Fixed Performance Incentive: ₹ 5,00,000/- payable annually.

4. 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 hereunder:

   i) House Rent Allowance shall be 50% of salary.

   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 to 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 10% 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 Sunil Mehta by way of salary, allowances and perquisites, shall not exceed the maximum limit as prescribed under schedule V of the Companies Act, 2013."

"RESOLVED FURHTER THAT Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, 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, expedient and desirable to give effect the above resolution."

5. 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 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) and applicable Regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Shri Dharam Bir Prasad (DIN: 08453624) who was appointed as Additional Director w.e.f. 27.05.2019 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 26.05.2024, not liable to retire by rotation."

"RESOLVED FURTHER THAT Shri Manoj Agarwal, (DIN: 00474146) Managing Director and Shri Ankur Srivastava, (F8537) 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 Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a), 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded in favour of the Board of Directors of the Company to borrow moneys from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) will exceed aggregate of paid up share capital of the Company its free reserves and security premium, that is to say, reserves not set apart for any specific purpose, mortgaging and/or charging, on such terms and conditions and at such time or times and in such form the whole or substantially the whole of the Company's undertakings, including the present and/or future properties, whether movable or immovable (including equipment under delivery contracts for expansion projects) tangible or intangible comprised in any existing or new undertaking or undertakings of the Company as the case may be in favour of the Lenders, Financial Institutions, Banks, for securing the borrowings of the Company availed/to be availed by way of loan(s), from time to time, upto the limit not exceeding ₹ 500 Crores (Rupees Five Hundred Crores Only) together with the interest on the principal amounts at the respective agreed rates and all other monies payable by the Company in terms of loan agreement(s), and/or any other deed(s) or document(s) entered into/to be entered into between the Company and the lender(s)/ financial institution(s), bank(s), etc., in respect of their respective loans/borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors of the Company (including any Committee thereof) and the lender(s)/financial institution(s)/bank(s), etc."

"RESOLVED FURTHER THAT Shri Manoj Agarwal, Managing Director (DIN: 00474146), Shri Shashank

Agarwal, Deputy Managing Director (DIN: 02790029) and Shri Ankur Srivastava, Company Secretary (Membership NO. F8537) be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things as may deemed necessary, desirable or expedient to give effect to for implementing of the above resolution or otherwise considered to be in the best interests of the Company."

7. 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 Section 148 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), M/s Rakesh Misra & Company, Cost Auditors appointed by the Board of Directors of the Company as the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2020, be paid ₹ 85,000/- as the remuneration to conduct the Cost Audit for the year 2019-20."

By order of the Board of Directors
For **Kanpur Plastipack Ltd.**

Place : Kanpur
Date : 1st August, 2019

Ankur Srivastava
Company Secretary

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. Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) and Bank Details by every shareholder, accordingly, shareholders are requested to please update PAN and Bank details to their Depository Participant in case of Demat holding. Members holding shares in physical form may submit the Pan and Bank details to the Company or its registrar.

9. The Register of Members and Share Transfer Books of the Company shall remain closed from 06th September, 2019 to 12th September, 2019 (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 6th September, 2019 and the beneficial owners as per the Beneficiary List at the close of the business hours on 6th September, 2019 as provided by NSDL and CDSL.

10. The members are hereby informed that the Company has transferred the amount of unpaid dividend for the year 2010-11, 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 :-

Sl. No.	Dividend Year	Unpaid Balance as on 31/03/2019 (In ₹)
1	2011-12	5,14,389.00
2	2012-13	5,37,686.00
3	2013-14	6,43,694.40
4	2014-15	6,96,946.80
5	2015-16 (Interim)	7,30,532.40
6	2015-16	3,50,286.00
7	2016-17	14,92,755.00
8	2017-18	5,13,109.80

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 2011-12 will become due for transfer to Investor Education and Protection Fund (IEPF) on 20.10.2019.

11. 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.

12. Notices have been served to the individual shareholders whose shares are liable to be transferred to IEPF Suspense Account. The underlying shares will be transferred to the IEPF Suspense Account in October, 2019. Therefore, shareholders are requested to please claim their unpaid dividend for earlier years at the earliest.

13. 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.

14. 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.

15. 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.

16. SEBI has amended Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated 8th June, 2018 has mandated that transfer of securities would be carried out in dematerialized form only. Accordingly, with effect from 1st April, 2019, transfer of securities would be carried in dematerialized form only.

17. In case of physical transmission of shares, copy of PAN Card of the transferee is mandatory.

18. 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.

19. 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.

20. 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.

21. 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/ update their email ID's with their respective Depository Participants (DP) in case the same is still not registered.

22. 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.

23. 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.

24. 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 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.

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

26. 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.

27. 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 and explanatory statement of the notice, as the Case may be.

28. 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.

29. 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 casted their vote by remote e-voting shall be able to exercise their right at the meeting.

30. The members who have casted 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. 4

The Board of Directors of your Company, at their meeting held on 27th May, 2019 had, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of shareholders, re-appointed Shri Sunil Mehta, as Executive Director for a period of 5 years w.e.f. 1st September, 2019 till 31st August, 2024 at the remuneration as recommended by the Nomination and Remuneration Committee of the Board.

Shri Sunil Mehta aged about 58 years is a B. Tech (Textile Technology) with over 30 years of experience in the Woven Sack Industry. He joined the Company in the year 2002 and has brought various improvements in the production & operations of the Company and helped immensely in the improvement of its performance.

The approval of shareholders is required for the re-appointment of Shri Sunil Mehta as Executive Director in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment and remuneration payable to Shri Sunil Mehta as Executive Director are recommended by the Nomination and Remuneration Committee and mentioned in resolution no. 4.

Shri Sunil Mehta does not hold any share of the Company. He holds directorships in following Companies:

Other Companies Directorship:

a. KSM Exports Limited

Shri Sunil Mehta 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 Sunil Mehta under Section 190 of the Act.

Memberships / Chairmanships of Board, Committees, shareholding and relationships amongst Directors, *inter-se*, as required under Regulation 36 of Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend passing of above resolutions as Special Resolution.

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 Dharam Bir Prasad (DIN: 08453624), as an Additional Director of the Company w.e.f. 27.05.2019. Your Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Dharam Bir Prasad for the office of Director of the Company. Shri Dharam Bir Prasad 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 Dharam Bir Prasad as an Independent Director of the Company to hold office for a consecutive period of 5 years till 26th May,, 2024, not liable to retire by rotation.

The Company has received a declaration from Shri Dharam Bir Prasad that he is not debarred to be appointed as Director from any of the regulatory authority and 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 Regulations.

Shri Dharam Bir Prasad (aged about 64 years) is a M.Sc. in Nuclear Physics and MBA (Hons.) from Lucknow University. He retired after 35 years of Service to the Banking Industry. He was last posted as the General Manager and Principal of the State Bank of India, Staff Training Academy, Gurugram. He also gained wide experience in International Banking and Treasury Operations during a Four- and half-year stint in Frankfurt as Vice President (control). He has also worked in the areas of Core Banking Solutions, Credit and NPA management, HR & Training. He is a prolific speaker and covers subjects like soft skills, leadership qualities and current economy.

Shri Dharam Bir Prasad does not hold any shares of the Company.

Other Companies Directorship:

Nil

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 Dharam Bir Prasad 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

Under the provisions of Section 180(1)(a) & 180(1)(c) of the Companies Act, 2013 and the Rules made thereunder it is required to obtain the consent of the members of the Company in favour of the Board of Directors of the Company to borrow moneys from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) will exceed aggregate of paid up share capital of the Company its free reserves and security premium, that is to say, reserves not set apart for any specific purpose, mortgaging and/or charging, on such terms and conditions and at such time or times and in such form the whole or substantially the whole of the Company's undertakings, including the present and/or future properties, whether movable or immovable (including equipment under delivery contracts for expansion projects) tangible or intangible comprised in any existing or new undertaking or undertakings of the Company as the case may be in favour of the Lenders, Financial Institutions, Banks, for securing the borrowings of the Company availed/to be availed by way of loan(s), from time to time, upto the limit not exceeding ₹ 500 Crores (Rupees Five Hundred Crores Only) together with the interest on the principal amounts at the respective agreed rates and all other monies payable by the Company in terms of loan agreement(s), and/or any other deed(s) or document(s) entered into/to be entered into between the Company and the lender(s)/financial institution(s), bank(s), etc., in respect of their respective loans/borrowings and containing such specific terms and conditions and covenants

in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors of the Company (including any Committee thereof) and the lender(s)/financial institution(s)/bank(s), etc.

It is, therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 to Borrow money and for creation of charges / mortgages / hypothecations for an amount not exceeding ₹ 500 Crores (Rupees Five Hundred Crores Only).

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution except as shareholders.

The Board of Directors recommends the Resolution as set out in the Item No. 6 of the Notice for the approval of the members by way of Special Resolution.

ITEM NO. 7

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Board, on the recommendation of the Audit Committee, in its Meeting held on 01st August, 2019 has appointed M/s. Rakesh Misra & Co, Cost Accountants, (Firm Registration No. 000249), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2019-20 at a fee of ₹ 85,000 subject to TDS and GST etc., as applicable, as remuneration for cost audit services for the Financial Year 2019-20. As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2020.

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. 7 of this Notice.

Your Directors recommend passing of above resolutions as Ordinary Resolution.

By order of the Board of Directors
For **Kanpur Plastipack Ltd.**

Place : Kanpur
Date : 1st August, 2019

Ankur Srivastava
Company Secretary

Other General Information:

i) The Company is mainly engaged in manufacturing and export of FIBCs (Flexible Intermediate Bulk Container) commonly known as Jumbo Bags, Woven Sacks, PP Fabrics and PP High Tenacity Multifilament 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
2018-19	33,420	3,793	1,620
2017-18	28,519	3,486	1,592
2016-17	24,636	3,411	1,446

ii) The Export performances of the Company are ₹ 19,690 Lacs, ₹ 22,100 Lacs and ₹ 22,220 Lacs during 2016-17, 2017-18 and 2018-19 respectively.

iii) The figures of previous year have been re-grouped / re-casted wherever found necessary.

iv) There is no foreign investment or collaborators.

v) Shri Mahesh Swarup Agarwal is the father of Shri Manoj Agarwal and grandfather of Shri Shashank Agarwal. Smt. Usha Agarwal is the mother of Shri Shashank Agarwal.

vi) Shri Sunil Mehta does not have any pecuniary relationship with the Company except as an employee.

vii) The background and other details of Shri Sunil Mehta are provided in the Explanatory Statement of the Notice.

viii) The past remuneration of Shri Sunil Mehta was ₹ 1,60,000/- 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 Sunil Mehta, 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 ₹ 1,620 Lacs during the financial year ended 31/03/2019 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 : 1st August, 2019

Ankur Srivastava
Company Secretary

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 entitled 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.

Route map of venue of Annual General Meeting:

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



Board's Report

Dear Members,

Your Directors are pleased to present their 48th Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2019.

Financial Highlights:

(₹ in Lacs)

Particulars	2018-19	2017-18
Sale of products	32314.47	27853.55
Other Income	1105.91	664.95
Total Income	**33420.38**	**28518.50**
Profit Before Tax	2166.10	2434.73
Less: Current Tax	466.78	792.00
Less: Earlier year Tax Adjustment	48.41	2.35
Less: Deferred Tax	30.79	48.25
Net Profit After Tax	1620.12	1592.13
Balance profit from Last Years	8087.57	6722.45
Less: Appropriations:		
Other Comprehensive Incomes	(13.65)	(31.63)
Transfer to General Reserve	-	-
Final Dividend on Equity Shares Paid during the year	257.71	214.90
Tax on Dividend	52.97	43.74
Balance carried to Balance Sheet	9410.66	8087.57

Review of Operations and Outlook:

During 2018-19, your Company showed continued acceleration and momentum in upgrading the facilities. Your Company has achieved yet another milestone and recorded a turnover of ₹ 334 Crores. During the year your Company has commenced commercial production from its Green field project at Unit no. 3 which was duly inaugurated on the 20th of July, 2018. The Company undertook a massive exercise of refurbishment of the old unit located at the registered office of the Company. This had become a necessity to streamline the layout and enhance the longevity of the building and structure. This will help in improving the operational performance of the Company. Therefore, the year 2018-19 was a year in transition. We believe that now your Company is all set to utilize its improved infrastructure and enhanced capacities for better results in the years to come. Highlights of the performance during 2018-19:

Financial

- Turnover increased by 17% to ₹ 334 Cr (PY ₹ 285 Cr.)
- Net worth of the company went up by around 21%.
- Profit Before Tax ₹ 21.66 Cr.
- Profit After Tax ₹ 16.20 Cr.

Operational:

- Volumes of Sales recorded during FY 2018-19:

Product	2018-19
FIBC :	10218
MFY :	3012
Fabrics :	1622
Bags :	352

- Total number of active customers went up to : Export - 82, Domestic – 237.
- The geographical footprint expanded and we now sell to 40 countries globally.
- The Roof top Solar plant generated 5 Lacs units of electricity during the year reducing the carbon foot print by about 8 Lacs Kg.
- The Dealer Operated Polymer Warehouse activity of IOCL remained steady and we sold 13640 MT this year.

Your Company continues to leverage on technological upgradation and innovation. 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.

Risks to the global economy have surfaced due to an increase in protectionist policies and the uncertainties surrounding "BREXIT'. Being an export oriented unit, your Company cannot remain isolated from issues related to International Trade. Increased competition from new manufacturers within India and enhancement in capacities has led to a pressure in the market both on sales and pricing. The current financial year will be a challenging one for the company as we gear up to use our new built up capacity and continue its march towards growth. We are, however, confident of being able to handle this challenge.

Credit Rating:

Bank Loan Facilities have been rated with BBB+/Stable for Long Term and A2 for Short Term Facilities by CRISIL.

Share Capital:

Out of 2387774 partly paid up equity shares issued under Rights Issue, your Company has received call money on 23,73,693 partly paid up equity shares and accordingly converted them into fully paid up. However, shareholders of 14081 partly paid up equity shares did not paid call money and your Company had to forfeit these shares.

As on 31.03.2019 your Company has total shares capital of ₹ 14,31,25,640.00 divided into 1,43,12,564 equity shares of ₹ 10/- each.

Dividend:

Your Directors have recommended a final dividend @ 18% i.e. ₹ 1.80 per Equity Share for the financial year 2018-19. Payment of dividend is subject to the approval of shareholders.

Directors:

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

The Board of Directors with the approval / ratification of the Shareholders by way of Special Resolution re-appointed Shri P. S. Khamesra and Shri Subodh Kumar for a further period of 5 years as Independent Directors w.e.f. 01/04/2019 to 31/03/2024 as recommended by the Nomination and Remuneration Committee.

Shri Sobhagya Mal Jain retired from the Board after completing his term as an Independent Director on 31/03/2019. The Board of Directors took on record its sincere appreciation and gratitude towards the exemplary contribution made by him during his tenure. On the recommendation of the Nomination and Remuneration Committee, Shri Dharam Bir Prasad was appointed by the Board of Directors w.e.f. 27/05/2019 as an Additional Independent Director to fill the vacancy so created. His regularization as an Independent Director shall be placed before the Shareholders for approval at the ensuing Annual Meeting.

The Board of Directors have re-appointed Shri Sunil Mehta as an Executive Director on fresh terms and conditions as recommended by the Nomination and Remuneration Committee, subject to the approval of shareholders at the ensuing Annual General Meeting, for a further period of 5 years w.e.f. 1st September 2019.

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.

Your company has digitalized the Board Process and adopted the paper less Board meetings.

Key Managerial Personnel:

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 Vishal Jain	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.

Deposits:

In view of Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 your Company did not accepted any deposit from public.

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 Certificates certifying that

(i) the Company has complied with the requirements of Corporate Governance in terms of SEBI (LODR) Regulations, 2015; and

(ii) none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ MCA or any such authority,

are 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 2018-19 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) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 'C' which forms part of this Report.

Auditors:

I. Statutory Auditors and Their Report

M/s Rajiv Mehrotra & Associates (FRN: 002253C), Chartered Accountants, were appointed as Statutory Auditors of your Company for a period of 5 years in the Annual General Meeting held on 15/09/2017 till the conclusion of 51st Annual General Meeting to be held in the year 2022. The requirement of ratification of the appointment of Statutory Auditors every year has been omitted by the Companies (Amendment) Act, 2017.

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

II. Cost Auditors

Cost Audit was not applicable on your Company during the year under review. However, w.e.f. financial year 2019-20 the Cost Audit will be applicable on the Company as per Companies (Cost Records and Audit) Rules, 2014.

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 2018-19. The Secretarial Audit Report, as placed by the Auditor is annexed with this Report as Annexure 'D'. 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. 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.

Annual Return:

As per the requirement of Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, the Annual Return for the year 2018-19 has been placed on the website of the Company. The weblink of the same is https:/www.kanplas.com/wp-content/uploads/MGT-9-2018-19.pdf.

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 2019-20 has been paid within the stipulated time.

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-'E'.

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 'F'.

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 8 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.

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, below contracts / arrangements were entered / renewed by the Company with related parties in terms of the provisions of Section 188(1) of the Companies Act, 2013:

Sl.No.	Name of Related Party	Purpose	Justification
1	KSM Exports Limited	Rent Agreement to avail the factory shed situated at D-6, Panki Industrial Area, Kanpur-208022 at a monthly rent of ₹ 200000/-	The total plot area is about 20000 Sq. Ft. and class I construction of about 17500 Sq. Ft of Building. The value works out to ₹ 10 Per Sq. Ft. which is within prevailing market rates in the area.
2	Smt Usha Agarwal	Rent Agreement to obtain the portion of her house on rent at a monthly rent of ₹ 40000/- per month.	The last rental increment was made in the year 2013, hence, an increase of 33% of monthly rent is envisaged in view of the prevailing market rates in that area.

All the transactions with the related parties entered during the year 2018-19 were in the ordinary course of business, on arm's length basis and approved by the Audit Committee. Further, no material related party transaction was entered during the year under review.

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 as all the contracts entered by the Company during the year are on arms length basis and there was no material contract or arrangement.

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 policy to deal with the selection, appointment and remuneration of the Directors and Key Managerial Personnel and other senior level employees is annexed with this report as Annexure 'G'.

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 continued support and cooperation received from Bankers, other Government Agencies and esteemed customers for their patronage and support during the year.

Your Directors also place on record their appreciation for the committed 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 confidence with the Company.

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

Place: Kanpur
Date : 27th May, 2019

(Shashank Agarwal)
Deputy Managing Director

(Manoj Agarwal)
Managing Director

ANNEXURE- 'A' TO THE BOARD'S REPORT

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. Your Company has adopted paper less board meetings to enhance transparency and governance in the Board Processes.

2. Board of Directors:

As on 31st March, 2019, the Board of Kanpur Plastipack Limited consists of three Whole Time Directors and Seven Non-Executive Directors five of whom are Independent Directors including one Non Independent Woman Director. The composition of the Board and other relevant details relating to Directors during the Financial Year 2018-19 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	2542401	6	Yes	3	-	-
Shri Manoj Agarwal	Promoter-Executive	1351523	6	Yes	6	-	-
Shri Shashank Agarwal	Promoter-Executive	1090564	5	Yes	5	-	-
Smt. Usha Agarwal	Promoter - Non- Executive	2008866	6	Yes	3	-	-
Shri Sunil Mehta	Executive	NIL	6	Yes	1	-	-
*Shri Sobhagya Mal Jain	Non-Executive & Independent	NIL	2	No	-	-	-
Shri Prem S. Khamesra	Non-Executive & Independent	NIL	5	Yes	6	-	-
Shri Subodh Kumar	Non-Executive & Independent	NIL	6	Yes	-	-	-
Shri Ram Gopal Bagla	Non-Executive & Independent	NIL	6	Yes	-	-	-
Shri Akshay Kumar Gupta	Non-Executive & Independent	NIL	5	Yes	2	-	-

*Shri Sobhagya Mal Jain retired from the Board on 31.03.2019.

Appointment / Re-appointment:

Shri Shashank 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.

The Board of Directors have re-appointed Shri Sunil Mehta as Executive Director, subject to the approval of shareholders at ensuing Annual General Meeting, for a period of 5 years w.e.f. 1st September 2019. The brief profile and other details of Shri Sunil Mehta are given in the Notice for perusal of members.

The Board of Directors with the approval / ratification of the Shareholders by way of Special Resolution re-appointed Shri P. S. Khamesra and Shri Subodh Kumar for a further period of 5 years as Independent Directors w.e.f. 01/04/2019 to 31/03/2024 as recommended by the Nomination and Remuneration Committee.

Shri Sobhagya Mal Jain retired from the Board after completing his term as Independent Director on 31/03/2019. The Board appreciated and took on record its gratefulness towards the exemplary contribution made by him during his tenure.

On the recommendation of Nomination and Remuneration Committee, Shri Dharam Bir Prasad was appointed by the Board of Directors w.e.f. 27/05/2019 as an Additional Independent Director to fill the vacancy so created. His regularization as an Independent Director is placed before the Shareholders for approval at the ensuing Annual General Meeting.

Details of familiarization programmer as imparted to independent directors are disclosed on the website of the Company: www.kanplas.com.

Details of Board Meetings held during the year 2018-19:

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

Sl.No.	Date of Board Meeting	Strength of Board	No. of Members Present
1	14th May, 2018	10	10
2	13th August, 2018	10	9
3	19th September, 2018	10	9
4	14th November, 2018	10	9
5	1st February, 2019	10	9
6	18th March, 2019	10	8

3. Audit Committee:

The Audit Committee was duly constituted comprising 4 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 2018-19. The details of the meetings are as under:-

Sl.No.	Date	Committee Strength	No. of members present
1	14th May, 2018	4	4
2	13th August, 2018	4	3
3	14th November, 2018	4	3
4	1st February, 2019	4	3

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 four 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	14th May, 2018	4	4
2	13th August, 2018	4	4
3	14th November, 2018	4	4
4	01st February, 2019	4	3
5	18th March, 2019	4	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 @ ₹ 20,000/- and ₹ 2,500/- 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 except as shareholders. The details of the remuneration given to the individual directors are given below:

(₹ in Lacs)

Name of the Director	Remuneration	Perquisites	Commission/ performance Incentive	Sitting Fee	Stock Option	Others	Total
Mahesh Swarup Agarwal	-	-	-	1.30	-	18.00	19.30
Manoj Agarwal	46.00	11.79	49.87	-	-	-	107.66
Shashank Agarwal	36.90	6.48	49.87	-	-	-	93.25
Sunil Mehta	25.50	3.42	5.00	-	-	-	33.92
Usha Agarwal	-	-	-	1.30	-	-	0.87
P. S Khamesra	-	-	-	1.30	-	-	0.70
R. G. Bagla	-	-	-	1.62	-	-	1.16
Subodh Kumar	-	-	-	1.53	-	-	1.14
S. M. Jain	-	-	-	0.45	-	-	0.87
Akshay Kumar Gupta	-	-	-	1.23	-	-	1.08

5. Stakeholders Relationship Committee:

Stakeholders Relationship Committee was duly constituted under the Chairmanship of Dr. Ram Gopal Bagla and Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal and Shri P. S. Khamesra as 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:-

Sl.No.	Date	Committee Strength	No. of members present
1	14th May, 2018	4	4
2	13th August, 2018	4	3
3	14th November, 2018	4	3
4	1st February, 2019	4	3

The Committee look after the matters 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 05 investor grievances were received which were duly responded and 2 complaint remained to be resolved to the satisfaction of the shareholders. Which were resolved after 31/03/2019.

6. Corporate Social Responsibility Committee:

The constitution of the committee comprises of Shri P. S. Khamesra as Chairman and 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:

Sl.No.	Date	Committee Strength	No. of members present
1	14th May, 2018	4	4
2	13th August, 2018	4	4
3	14th November, 2018	4	4
4	1st February, 2019	4	3

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:

Annual General 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:

2017-18		
Date and Time	:	19th September, 2018 at 3:30 PM
Special Resolution	:	1. Reappointment of Shri Shashank Agarwal as Deputy Managing Director
2016-17		
Date and Time	:	15th September, 2017 at 12:00 Noon
Special Resolution	:	1. Reappointment of Shri Manoj Agarwal as Managing Director
2015-16		
Date and Time	:	15th September, 2016 at 12:00 Noon
Special Resolution	:	1. Increase in Authorized 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.

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 2018-19:-

1. No person has been denied access to the Audit Committee to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics as per the "Vigil Mechanism (Whistle Blower Policy)" of the Company;

2. The Company has complied with all the mandatory requirements and most of the discretionary requirements specified in Part E of Schedule II of the 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.

d) Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal, Smt Usha Agarwal and Shri Shashank Agarwal are relatives. There is no pecuniary or other relationship among any other Directors of the Company. Independent Directors are not related themselves, with the Company or any of its Directors.

e) The details of familiarization programmes imparted to the Independent Directors have been disclosed at the website of the Company the weblink of the same is www.kanplas.com/wp-content/uploads/ Details-of-Familiarization-programme-imparted.xlsx.

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.

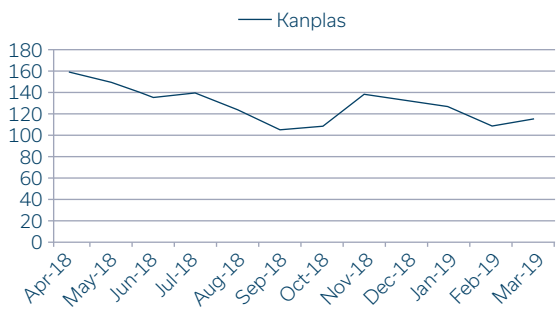
10. General Shareholder Information:

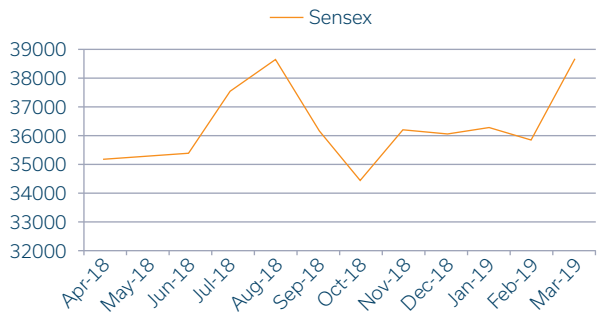
(i) Annual General Meeting	Date	:	12th September, 2019
	Time	:	12:00 Noon
	Venue	:	D-19-20, Panki Industrial Area, Kanpur 208 022.
(ii) Financial Year		:	1st April, 2018 to 31st March, 2019
(iii) Date of Book Closure		:	6th September, 2019 to 12th September, 2019 (both days inclusive)
(iv) Dividend payment date, if declared		:	23rd September, 2019
(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 (₹)
Apr-18	162.00	121.00
May-18	159.00	137.00
Jun-18	149.40	116.00
Jul-18	156.00	132.30
Aug-18	151.50	122.25
Sep-18	133.00	101.00
Oct-18	120.00	95.00
Nov-18	144.00	104.10
Dec-18	142.95	123.00
Jan-19	140.05	120.00
Feb-19	128.00	98.25
Mar-19	128.95	109.10

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



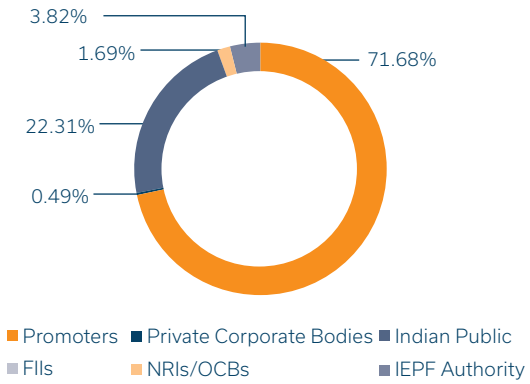


(ix) Registrar and Share Transfer Agent(RTA) : Skyline Financial Services Pvt. Ltd. D-153/A, 1st Floor, Okhla Industrial Area, Phase-I New Delhi- 110 020

(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, 2019:



Category	No. of shares held	% of Share holding
Promoters	10259908	71.68
Private Corporate Bodies	69712	0.49
FIIs	-	-
Indian Public	3193524	22.31
NRIs/OCBs	242002	1.69
IEPF Authority	547418	3.82
Total	**14312564**	**100%**

(xii) Distribution of Shareholding as on 31st March, 2019:

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
Up To 5,000	6968	86.83	1183436	8.27
5001 To 10,000	590	7.35	417481	2.92
10001 To 20,000	240	2.99	349680	2.44
20001 To 30,000	93	1.16	235728	1.65
30001 To 40,000	41	0.51	143991	1.01
40001 To 50,000	19	0.24	86476	0.6
50001 To 1,00,000	37	0.46	254337	1.78
1,00,000 and Above	37	0.46	11641435	81.34
Total	**8025**	**100**	**14312564**	**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, 2019, 96.56% 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 adequate system 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-208022 3. Plot No. 185, Village Shyampur, Raipur-Gajner Road, Kanpur Dehat-209121

(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

(xvii) Credit Rating : Details disclosed in Directors Report.

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, 2019.

It is also confirmed that, in the opinion of the board, the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are Independent of the management.

For and on Behalf of the Board of Directors

Place: KANPUR
Date: 27th May, 2019

(Manoj Agarwal)
Managing Director

Certificate regarding Compliance of Conditions of Corporate Governance

To,
The Members of
Kanpur Plastipack Limited.

We have examined the compliance of conditions of Corporate Governance by **Kanpur Plastipack Limited** ("the Company"), for the financial year ended on 31st March, 2019 as per Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations").

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. The Management's responsibility includes the implementation of the Rules and Regulations and maintenance of the internal controls and procedures to comply with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our Responsibility

Our responsibility is limited to examining the procedure and implementation thereof, adopted by the Company for ensuring compliance with 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 explanations given to us and representation made by the Directors and the Management, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in Regulation 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 Regulations, as applicable, during the financial year ended on 31st March, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **Adesh Tandon & Associates**
Company Secretaries

Adesh Tandon
Proprietor
Membership No.: 2253
C.P. No.: 1121

Place: Kanpur
Date : 27th May, 2019

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Clause (10)(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,
The Members,
Kanpur Plastipack Limited
D 19-20, Panki Industrial Area,
Kanpur, Uttar Pradesh - 208022

We have examined the relevant registers, records and disclosures received from the Directors of Kanpur Plastipack Limited (hereinafter referred to as "the Company") having CIN:L25209UP1971PLC003444 and having its registered office at D 19-20, Panki Industrial Area, Kanpur, Uttar Pradesh - 208022, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause (10)(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its Officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl.No.	Name of Director	DIN	Latest Date of Appointment/ Re-appointment at current designation
1	Mahesh Swarup Agarwal	00550799	15/09/2017
2	Manoj Agarwal	00474146	01/09/2017
3	Shashank Agarwal	02790029	01/09/2018
4	Sunil Mehta	03422673	19/09/2018
5	Usha Agarwal	00997099	15/09/2016
6	Akshay Kumar Gupta	00004908	15/09/2016
7	Prem Singh Khamesra	00049162	10/09/2014
8	Ram Gopal Bagla	00135348	25/05/2015
9	Subodh Kumar	06933864	10/09/2014

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

For **Adesh Tandon & Associates**
Company Secretaries

Adesh Tandon
Proprietor
Membership No.: 2253
C.P. No.: 1121

Place: Kanpur
Date : 27th May, 2019

ANNEXURE- 'B' TO THE BOARD'S 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) We have installed Energy efficient chilling system in place of conventional chilling system to reduce the power consumption in the chilling system for tape plants, MFY plants and Reprocess plants in Unit - 3. Power consumption in new Chilling System has been reduced by 40% in comparison to conventional Chillers.

b) We are planning to install similar chilling system at D-19-20 factory also for Tape Plants during the FY 2019 - 2020.

c) We have also installed new generation Compressors equipped with latest technology for use in our new factory. These latest state of art compressors are more efficient and consume less power in comparison to earlier models of compressors. There is a saving of approx 15% energy in new compressors.

d) In place of Cooling Towers, we have installed Evaporative Condensers. Water consumption in these Evaporative Condensers is much less as compared to conventional cooling towers.

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 5,00,774 units of electricity. The system has also saved emission of 8,21,270 Kgs of Carbon Di Oxide during the year.

Net metering facility in A1-A2 unit has become operational wef 1.5.2018. Through net metering, company has exported 27,560 units of electricity since installation of roof top Solar System to KESCO (DISCOM) for which a credit of ₹ 2,09,732/- has been given till Dec 18 end. electricity bill of A1/A2 unit.

III. Capital Investment on Energy Conservation Equipments:

During the year total Investment Capitalized under this head on installation of energy efficient Chiller was ₹ 121.96 Lacs, on new generation Compressors was ₹ 33.23 Lacs and on Evaporative Condensers was ₹ 31 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 Beta Gauge to maintain quality of tape.

b) Use of Ultrasonic Cutting devices on Looms.

C) Use of an efficient fabric cutting machine.

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

a) Quality of tape maintained on line.

b) Quality of cutting and sealing on edges improved.

c) Improved production with less 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	23,030.24
(ii) Total Expenditure in Foreign Currency:	
(a) Expenditure on Import of Raw Materials, Plant and Machinery and Spare parts and others	3,373.69
(b) Expenditure on Export promotion tour	14.01
(c) Expenditure on other than above	279.67

ANNEXURE- 'C' TO THE BOARD'S REPORT

The information as required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) & Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Remuneration paid to Directors and Key Managerial Personnel:

(₹ in Lacs)

Sl. No.	Name of Director / KMP	Title / Category	Remuneration in Fiscal 2019	Remuneration in Fiscal 2018	Increase / decrease in Remuneration	% increase / decrease Remuneration	Ratio of Remuneration to the Median Remuneration
1	Mahesh Swarup Agarwal	Chairman Emeritus	18	24	-6	-25.00%	16.36
2	Manoj Agarwal	Managing Director -KMP	106.93	107.66	-0.73	-0.68%	97.21
3	Shashank Agarwal	Deputy Managing Director	96.69	93.26	3.43	3.68%	87.90
4	Sunil Mehta	Executive Director	36.28	33.92	2.36	6.96%	32.98
5	Usha Agarwal	Non Executive Director	-	-	-	-	-
6	Sobhagya Mal Jain*	Independent Director	-	-	-	-	-
7	P.S. Khamesra	Independent Director	-	-	-	-	-
8	Subodh Kumar	Independent Director	-	-	-	-	-
9	Ram Gopal Bagla	Independent Director	-	-	-	-	-
10	Akshay Kumar Gupta	Independent Director	-	-	-	-	-
12	Dharam Bir Prasad	Independent Director	-	-	-	-	-
13	Ankur Srivastava	Company Secretary -KMP	12.14	10.83	1.31	12.10%	11.04
14	Arvind Gunjan**	CFO -KMP	25.18	24.88	-	-	22.89
15	Vishal Jain***	CFO-KMP	8.99	-	-	-	8.17

*Shri Sobhagya Mal Jain retired w.e.f. 31/03/2019.

**Shri Arvind Gunjan resigned w.e.f 05/12/2018.

***Shri Vishal Jain appointed w.e.f. 23/11/2018.

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 31.03.2019	As on 31.03.2018	Increase / Decrease	Average Increase / Decrease	Median Remuneration of Employee (MRE)		Increase / Decrease in MRE	% Increase / Decrease in MRE
					As on 31.03.2019	As on 31.03.2018		
Number of permanent Employees on the rolls of the Company	1471	1328	143	-	-	-	-	-
Total Remuneration	3271	2829	442	0.14	1.10	1.26	-0.16	-12.70%

The figures of the previous year have been regrouped and recast wherever found necessary.

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 ₹ 0.14 Lacs and percentile average increase in remuneration is 15.62%. Whereas, there is a increase in the turnover of the Company about 17% and net profit about 2 %, respectively, the remuneration is increased 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 2018-19 was 17.22%. In the same period there was a decrease of about 0.36% in the managerial remuneration. The increase in the total remuneration of employees is due to change in policy, new recruitment, revision of salary and increased bonus to workers.

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name of Employee	Designation of the Employee	Nature of Employment, whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	Age of Employee	Last employment held before joining the Company	% of Equity Shares held	Remuneration Received (₹in Lacs
Manoj Agarwal	Managing Director	Contractual	Master in Management Studies	01/09/2017 Commencement of present employment for the period of 3 years.	64	NIL	9.44	106.93

Note: Shri M. S. Agarwal, Chairmen Emeritus, Shri Manoj Agarwal, Managing Director, Shri Shashank Agarwal, Deputy Managing Director and Smt Usha Agarwal, Director are related to each other

ANNEXURE- 'D' TO THE BOARD'S REPORT

Secretarial Audit Report

For the Financial Year ended 31st March, 2019

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

To,
The Members,
Kanpur Plastipack Limited
D 19-20, Panki Industrial Area,
Kanpur, Uttar Pradesh-208022

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 as "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 31st March, 2019 ("Audit Period"), 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 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made 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 **(Not applicable to the Company during the Audit Period).**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), as amended from time to time:

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**

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

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client **(Not applicable to the Company during the Audit Period);**

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

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

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

We further report that, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on text check basis there are no specific 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 (as amended from time to time);

II. The Listing Agreement as entered into by the Company with Stock Exchange(s).

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

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. There were no changes in the composition of the Board of Directors that took place during the period under review. However the members of the company by way of Special Resolution has approved the continuation of office w.e.f. 01.04.2019 of directors who attended the prescribed age in terms of SEBI LODR.

Adequate notice was 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 Meeting and Committee Meeting has been carried out without dissent, 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, there exist 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.

We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other applicable Acts/ Laws/Regulations to the Company.

We further report that, during the audit period there were no instances of:

(i) issue of public / right / Preferential Issue of shares / sweat equity, debentures etc;

(ii) Redemption / Buyback of securities;

(iii) No major decisions were taken by the members in pursuance to section 180 of the Act;

(iv) Merger / amalgamation / re-construction, etc; and

(v) Foreign technical collaborations.

For **Adesh Tandon & Associates**
Company Secretaries

Adesh Tandon
Proprietor
FCS No. 2253
C.P. No. 1121

Place: Kanpur
Date: May 27, 2019

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

'ANNEXURE- A'

To,
The Members
Kanpur Plastipack Limited

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

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

For **Adesh Tandon & Associates**
Company Secretaries

Adesh Tandon
Proprietor
FCS No. 2253
C. P. No. 1121

Place: Kanpur
Date: May 27, 2019

ANNEXURE- 'E' TO THE BOARD'S REPORT

Corporate Social Responsibility (CSR) Policy

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

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- 'F' TO THE BOARD'S 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 traning 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	₹ 2,463.33 Lacs
4	Prescribed CSR Expenditure (2% of the amount as in item no. 3 above)	₹ 49.27 Lacs
5	Details of CSR Spent during the financial year: (a) Total amount to be spent for the financial year (b) Amount unspent, if any: (c) Manner in which the amount spent during the financial year is detailed below:	 ₹ 49.27 Lacs Nil

Sl. 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 31-03-2019 (₹ 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: Situated at nearby location of factory: Village Nauriya Kheda	15.00	Direct expenditure on projects or programs	13.11	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	3.50	Direct expenditure on projects or programs	1.78	Direct
3.	Promoting Education	Promoting Education	• Fee for IIT, Khadagpur Student. • Comfest Jaipuria School	1.00	Direct expenditure on projects or programs	1.39	Direct

Sl. 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 31-03-2019 (₹ in Lacs)	Amount Spent: Direct or Through implementing agency
4	Toilet Blocks, Tubewell boring to arrange safe drinking water	Promoting sanitation and safe drinking water	• FICCI Ladies Association Kanpur Lucknow Chapter • Hanumant Construction for construction of toilet adjacent to south city police station	1.50	Direct expenditure on projects or programs	3.01	Direct/ Through FICCI Flo Ladies Association Kanpur Lucknow Chapter
5	Training & Skill Development Programme	Promoting education and employment enhancing vocational skill among children and other society	• KPL Training and Skill Development Center • Jyoti Bal Vikas Sanstha	25.27	Direct expenditure on projects or programs	21.13	Through KPL Training and Skill Development center
6	Financial Support to needy/poor people.	Measures for reducing inequalities faced by socially and economically backward groups	Nearby locations of Factory	2.00	Direct expenditure on projects or programs	3.70	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	• Donation to PM National Relief Fund for Kerala Floods relief • Distribution of Blankets • Distribution of Cerals / Tea	1.00	Direct expenditure on projects or programs	5.91	Direct
	Total			49.27		50.03	
8	Reasons for not spending 2% of the average net profit of last three financial years or any part thereof			N.A.			
9	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: 27th May, 2019
Place: Kanpur

(Manoj Agarwal)
Managing Director

(Prem S. Khamesra)
Chairman CSR Committee

ANNEXURE- 'G' TO THE BOARD'S REPORT

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.

Annual increments, if any, shall be effective 1st January each year.

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 appointed Shri Mahesh Swarup Agarwal as Chairman Emeritus and a monthly honorarium as approved by the board of Directors within the Limits as approved by the shareholders will be paid to him.

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 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

(Vishal Jain)
CFO

Management Discussion & Analysis

Global Economic Overview

The Global Economy grew at 3.6% in 2018 while the advanced economies and the Emerging Markets & Developing Economies (EMDEs) grew by 2.2% and 4.5%, respectively. The economy, during the year, faced certain headwinds in terms of moderating international trade and investments, escalating trade tension and financial stress in some countries, especially in emerging markets. Further, China's growth also declined on account of regulatory constraints and an increase in trade tensions with the US.

This had a significant impact on the business environment and resulted in worsening of financial market sentiments and tightening of financial conditions for the vulnerable emerging markets. The International Monetary Fund estimated global growth at 3.6% in 2018, down from 3.8% in the previous year Macro-economic distress (*Source: The World Bank*)

Outlook

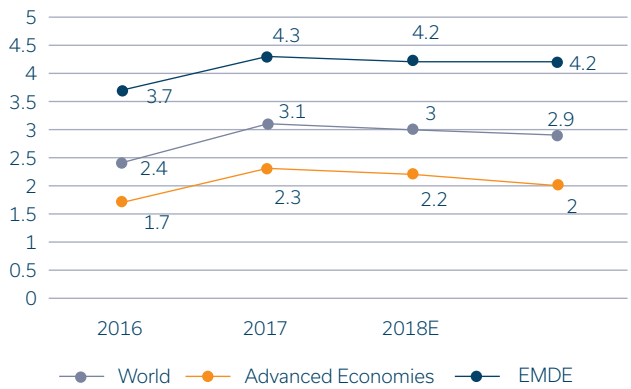
The silver lining has been the growth in the American economy which however has got partially offset by the slowdown in the Euro zone led primarily once again by Italian deficits and the continued uncertainty surrounding BREXIT. Headwinds indicate a slowdown in the World economy and its consequent impact on exports cannot be ruled out. As always, the direction of Oil prices will govern the prospects for third world countries and for many in India the ongoing trade war between China and the USA may have a lasting impact on supply chain networks and the financial markets across the globe.

GDP Growth Rate 2018



(*Source: The World Bank*)

GDP Growth (in %)



E: Estimated F: Forecasted
(*Source: The World Bank, January 2019*)

Indian Economic Overview

The Indian economy emerged as the fastest growing major economy in 2018-19 for the second time in a row as it continues its growth trajectory. The GDP growth for the year stood at 7% in 2018-19, falling marginally due to stress in the financial and banking sector with rising NPAs and subdued consumption as the after effects of GST and demonetisation still hampered business.

Industrial activity across sectors showed only a marginal improvement as labor-intensive sectors such as textiles, gems and jewelry, leather, etc. continued to struggle throughout the year. Crude prices saw a significant uptrend in the first half of the year, rising by more than 40% before retracing back during the second half. Despite softer overall growth, the industrial growth showed a robust momentum registering Index of Industrial Production (IIP), base 2011-12, for the April-January period for 2018-19 at 4.4%.

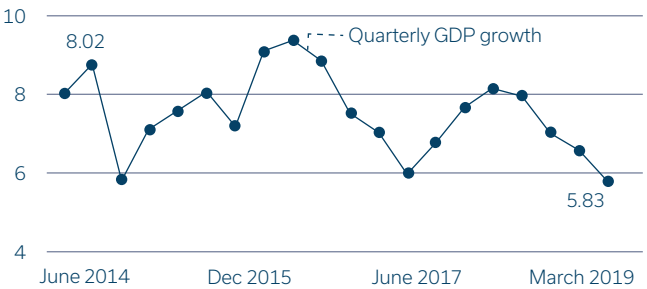
Outlook

Going ahead in the next fiscal year, the GDP is expected to pick up to register 7.2% in 2019-20 and 7.3% in 2020-21. The formation of a stable government at the Centre for the next five years, digitisation of the economy and FDI inflows at the backdrop of economic reforms will push the growth in the coming years. The efforts taken towards strengthening the financial sector balance sheets will further enhance the governance of the public sector banks. Further, reforms for hiring and dismissal regulations would help incentivize job creation and absorb the country's large demographic dividend. (*Source: IMF*)

Indian GDP

Slump Continues

India's quarterly GDP growth slumped to a five-year low of 5.38% in the last quarter of FY 19. The previous low in the last five years was 5.92% in the third quater of FY 15



India's Export Scenario

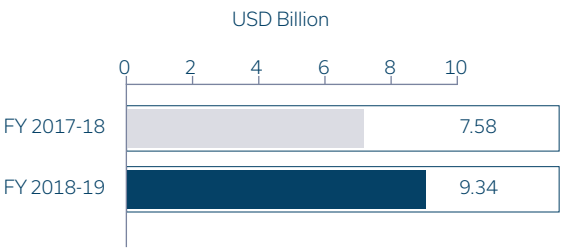
India's merchandise export in FY19 is expected to grow at 7.3%, slightly lower than 9.8% in 2017-18 on account of muted growth in the Country's traditional export of Gems & Jewellery, Leather and Textiles coupled with a liquidity crunch and Rupee appreciation. However, the pharmaceuticals, petroleum, and engineering sector witnessed significant growth in exports during the year. The plastics sector recorded a growth of above 20% driven largely by robust raw material exports. India exports both plastic raw materials and finished products to over 200 countries across the globe. "Plastics are among the fastest growing industries in India and offers immense potential in terms of capacity, infrastructure and skilled manpower," as per Ashok Basak, Chairman of India's Plastics Export Promotion Council (PLEXCONCIL).

The Indian currency saw a significant depreciation, falling to lows of 74.3 per USD mark mid-year before recovering. The last month of FY2018-19 saw the Rupee recover sharply to 68-69 per USD range on the back of renewed portfolio inflows as well as revised views on a likely long pause from the US Fed on its interest rates.

In addition, the government is grappling with challenges on various export promotion schemes and incentives offered to the exporting community. The MIES scrips and the interest subvention are on the radar of the WTO and importing countries like the USA who have become increasingly aggressive in their protectionist policies.

During the year, India's exports of plastics were valued at USD9.34 billion as against USD 7.58 billion in FY18 registering a growth of 23.1%. India's plastics industry is targeting at least a 3% share of the global polymer export market by 2025, to be achieved by a combination of capacity expansion and technology upgrades.

YoY growth in Indian Plastic Exports



Outlook

India is a trade deficit country heavily dependent on imports of OIL for its needs. The balance of payments has always been against India. Additionally, the monsoon plays a significant role as the agrarian economy still drives the entire consumption sector providing employment to millions. The delayed onset of monsoon and the political posturing of the Trump administration create a level of uncertainty difficult to make judgments. The massive mandate in the just concluded elections to the Parliament will no doubt lead to a much better implementation of reforms and improve investment and consumer sentiment. However, an appreciating currency does not help the exporters.

Industry Overview

Plastic

The plastic industry is one of the fastest-growing industries in India, comprising of more than 30,000 processing units, 85-90% of which are small and medium-sized enterprises. The sector provides trading opportunities to more than 2,000 exporters. Further, several government initiatives such as 'Make in India', 'Skill India', 'Digital India', and 'Swachh Bharat Abhiyan' are opening up opportunities for accelerated growth in the plastics industry. In addition to this, the government has also introduced several industry-friendly policy measures including a scheme for setting up plastic parks to encourage the domestic plastic processing industry, deregulation of the petrochemical sector and allowance of 100% FDI under the automatic route to facilitate fresh investments.

The Indian plastics export industry also offers excellent potential backed by some of the key advantages in terms of capacity, infrastructure, and skilled manpower. One of the major factors driving the growth of the industry is the availability of raw materials in the country. This reduces the dependence of the plastic processors on imports since raw materials can be manufactured domestically. This is a major advantage as it contributes significantly towards the growth of the Indian plastic industry

~4 Million

People provided employment in the plastic industry

Company Overview

The company now has three self-owned fully operational units within a 20 Km radius of each other in Kanpur. The newly commissioned Unit 3 has been established as a world class facility and has also been certified as a food grade factory. We are proudly serving customers in more than 40 countries across Europe, Asia, North & South America, Africa and Australia with exports accounting for almost 70% of the company's Turnover. Almost 90% of FIBC's and PP fabric are also exported. Our unwavering commitment to the quality of our products, infrastructure, and processes has helped us receive crucial certifications - ISO 9001:2015 from BSCIC, ISO 22000:2005 from BSI, BRC Certification as per Global Standard for Packaging and Packaging Material from Intertek, HACCP Certification from BSI (Food Grade certification), and AIB International Certification.

Your Company's principle areas of business are :

- Manufacturing of PP Fabrics and FIBCs
- Manufacturing of Multi Filament Yarn,
- Trading of plastic granules and
- Solar power generation activities.

FIBC and Fabrics

Industrial Bulk packaging is the bulwark of any advanced economy. India is now gaining traction as a major global supplier, possessing nearly 42% of the global market share of FIBCs. FIBC as a packaging medium is prevalent in developed countries like the US and Europe due to high mechanization and low human intervention. The industry is further anticipated to demonstrate firm growth driven by acceptability and an increase in usage by the pharmaceutical and food industry. Globally, the Indian FIBC industry faces competition from China, Turkey and certain countries in South America. However, in recent times, they are increasingly losing market shares to their Indian counterparts, which, in turn leads to industry wide growth of 10-15% in India. (Economic times – Markets, Marketwatch, Businesswire)

It is interesting to note that India is the number one country as a supplier of FIBC's in almost all major markets. India is responsible for almost 49% of imports into the USA , 43% into Canada and more than 60% into the EU in the year 2018 where a perceptible shift is taking place from the original sources like China and Turkey to India respectively.

6% +

Estimated global FIBC market CAGR during 2018-2022

This segment represents almost 60% of the company's turnover and is stated to grow with the increased capacity now available.

Multifilament Yarn

High Tenacity fully drawn Multi Filament Yarn (MFY) made out of Polypropylene is finding increasing acceptance as the best material for use in the stitching of Woven sacks and FIBC's apart from a value added application in geo textiles. An expected growth in the domestic packaging and technical textiles sector makes this product find itself on safe grounds. The global market for geo-textiles, growing at a CAGR of 10.59 per cent between 2014 and 2019, is projected to reach $8,632.83 million by 2019, according to a report by leading market research agency Markets and Markets. The Asia-Pacific region, especially India and China, is projected to gain the major market size by value by 2019.

Other applications of MFY are used in polypropylene filter cloth, safety net, elastic band, container bag, and many others. It is now a fully blown vertical of the company and represents almost 12% of its turnover. Applications for this product have been growing and increasing regularly and with the expected growth in the domestic packaging and technical textiles sector, the outlook is positive. The Company is on its way to become a market leader in this segment to become the largest player in North India with its ongoing capacity additions.

Trading of Plastic Granules

The Company has been operating as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their Polymer division. During the year, the segment not only delivered a steady performance but also continued to add value to the company, in terms of profitability.

Solar Energy

KPL strongly believes in sustainability. It is one of the major consumers of electricity produced by solar power, not only saving on costs but reducing the negative impact on the environment. Your company was a pioneer in the region to install roof top solar power generating systems. During the year, the rooftop solar grid system (capacity 506 KW) has produced 5,00,774 units of electricity. The system has also saved emission of 8,21,270 Kgs of Carbon-Di- Oxide during the year.



FIBC and Fabrics ■ Small Bags ■ MFY ■ Others

Financial Highlights

During the year under review the Total Income recorded an increased around 17% and closed at ₹ 33420 Lacs as against ₹ 28518 Lacs in the previous year. The highlights of results for the financial year ended 31st March, 2019 are given below:

(₹ in Lacs)

Particulars	2018-19	2017-18
Revenue	33420.38	28518.5
PBT	2166.1	2434.73
PAT	1620.12	1592.13
Current Ratio	1.33	1.33
Debt Equity Ratio	0.52	0.33
Interest Coverage Ratio	5.88	13.29
Debtors Turnover	6.2	5.07
Inventory Turnover	7.02	6.94
Operating Profit Margin	6.7	8.74
Net Profit Margin	5.01	5.72
Return on Net worth	12.78	15.22
EBIDTA Margin	10.15	10.93

Profitability of the Company was impacted primarily due to increased allocation of depreciation on the new CAPEX as well as higher finance costs.

The Company undertook a massive exercise of refurbishment of the old unit located at the registered office of the Company. This had become a necessity to streamline the layout and enhance the longevity of the building and structure. This will help in improving the operational performance of the Company.

SWOT Analysis

Strength

- Nearly 5 decades of experience.
- Comprehensive packaging solutions.
- Reputed global manufacturer of world-class flexible intermediate bulk containers and a pioneer exporter.
- Experienced management team.
- Enhanced capacity with superior structuring of manufacturing capabilities to meet the additional demand in the packing industry.
- Leverage of strong customer relationship.

Weakness

- Increased competition due to industry wide capacity addition and;
- Global downturns have affected the performance and may put pressure on margins.

Opportunities

- Company is now all set to utilize its improved infrastructure and increased capacities for better results in the coming years.
- Multi Filament Yarn has become an independent strong vertical in the Company.
- Diversify our revenue stream by exploring new geographies and penetrate the existing markets.
- New World Class Factory is all set to contribute to the performance of the Company.

Threats

- Global Trade war can pose a challenge to international trade impacting the Company's performance.
- Competition from new players within the Country.
- International downturn of economy poses a threat.

Risk Management

We identify following risks associated with the Company and regularly monitor them to mitigate the same. A brief of the same is given herein below:

Risk	Explanation	Mitigation
Raw Material Price Risk	The principle raw materials used by the company are PP and LDPE Granules which are Petrochemical products produced from derivatives of crude oil which is volatile.	The company has a well thought out purchase policy to cover the sales. Further it also monitors the prices and has long-term agreements with suppliers to minimize any adverse impact.
Economy Risk	Any headwinds faced by the economy may affect the Company's operations, and in turn profitability. Factors such as price volatility, geopolitical tensions and inflationary prices might impact the growth of the Company.	The Company's footprints are spread across the globe in around 40 countries. This helps the Company avoid dependence for revenues from any single country and mitigate any possible economic risk. Further, the company's long term experience in the industry also helps it better understand the business environment and take measures accordingly.
Technology Risk	Failure of the company to keep itself updated with the latest technologies can lead to significant loss of revenue and clients.	The Company is committed to technological upgradation and has a fully integrated and well-equipped facility with its state of art factory at unit 3. This helps in meeting the additional demand of the industry and also to enhance the quality of its products and sustain market share.
Competition Risk	The growth of the packaging industry with entry of new players and the improved performance of existing players pose a risk of losing market share and customers.	Your Company's experience, leverage of strong relationship with customers, its consistent focus on quality, on-time deliveries, product customization, and pricing has enabled it to remain ahead of its peers and achieve market leadership.

Internal Control System

The Company has a requisite system of internal controls which are regularly evaluated, tested & revisited by the Management and the Internal Auditors. Further, the report of the Internal Auditors is reviewed by the Top Management and the Audit Committee periodically.

Human Resource Development

KPL believes that the indispensable element in driving growth, prosperity, and development in the organization is its workforce. The Company, therefore, provides training and conducts development programmes for the employees in order to inculcate the essential competencies for growth on a personal and organizational level. The employees are headed by managers with relevant experience and proficiency in the organization. KPL holds a team of 1471 employees as on 31st March, 2019.

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, crude price, domestic and international market, changes in Government policies, tax regime, etc.



Financial Statements

Independent Auditors' Report

To
The Members of
Kanpur Plastipack Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kanpur Plastipack Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. **Greenfield Project at Gajner Road, Kanpur Dehat-**

   Acquisition/Construction/Development of Property, Plant and Equipment, forming part of the company's greenfield project at Gajner Road, Kanpur. The company has set up a new manufacturing facility, which was completed during the year. The Project involved substantial capital outlay and also a substantial increase in borrowed funds and was therefore considered as one of the 'Key Audit Matters'. The company has capitalized the property, plant and equipment of the said project on cost basis. Verification of the Cost of the project and the resulting assets involved extensive verification procedures and also judgments with respect to proper classification, estimation with respect to allocation of common project costs, capitalization of general borrowing costs etc.

   How our audit addressed the key audit matter

   For the matter referred to above, our procedures included, among others, procedures of physical examination, end to end verification of high value transactions, other relevant documentation/correspondence, including project and other reports submitted to Banks and other authorities, assessing management's conclusions etc. in view of the laid down accounting and measurement principles.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's

annual report, but does not include the standalone financial statements and our auditors' report thereon. The other information included in the annual report, are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

After the Other Information is made available to us, if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 as at 31st March, 2019 on its financial position in its standalone financial statements.

ii. The Company does not have any long term contracts requiring a provision for material foreseeable losses.

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31st March, 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

For **Rajiv Mehrotra & Associates**
Chartered Accountants
Firm Reg.no.002253C

Rajiv Mehrotra
(Partner)
M.No.071428

Kanpur, 27th May, 2019

Annexure "A" to the Independent Auditors' Report

(Referred to in Para 1 under 'Report on Other legal and Regulatory Requirements' section of our report of even date)

Re: Kanpur Plastipack Limited, we report that:

(i) a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b. The company has a regular programme for physical verification of all assets over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, it is reasonable having regard to the size of the company and the nature of its assets.

c. According to the information and explanations given to us and the records examined by us and based copies on the registered sale deeds/transfer deeds etc. evidencing title in immovable properties which are freehold, we report that the immovable properties capitalized in the books of account of the company are held in its name. The Original title deeds, being pledged against loans secured from the bank, were not in possession of the company and therefore could not be verified.

(ii) a. As explained to us, the inventory has been physically taken by the management during the year at various locations. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification of stock verified.

b. 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.

(iii) a. The company has not granted any loans, secured or unsecured to parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In Our opinion and according to the information and explanations given us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits. As per the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or Tribunal.

(vi) In our opinion and according to the information and explanations given to us, the company is liable for maintenance of cost records u/s 148 of the Companies Act, 2013 and the company is maintaining such records on a regular basis, as specified under the Companies (Cost Records & Audit) Rules, 2014.

(vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, income tax, sales tax, wealth tax, service tax, & customs duty and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, customs duty, VAT, cess and other material statutory dues were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) As per the information and explanations given to us and on the basis of the verification of the records of the company, the details of statutory dues which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of dues	Pending Amount ₹ in Lakhs	Period to which amount relates	Forum where dispute is pending	Remarks
Central Sales Tax Act, 1956	Central Sales Tax	0.53	FY 2009-10	Allahabad High Court	The total demand raised was ₹ 3.52 lakhs. An amount of ₹ 2.99 lakhs stands deposited under protest.
Central Sales Tax Act, 1956	Central Sales Tax	0.23	FY 2010-11	Jt. Commissioner, Corporate Circle-1, Kanpur	The total demand raised was ₹ 2.69 lakhs. An amount of ₹ 2.45 lakhs stands deposited under protest. The matter has been decided in the company's favour and remanded to the Assessing Authority for consideration by the Commissioner (Appeals)
Income Tax	Tax determined upon post-search assessment	-	AY 2012-13	The ITAT, Lucknow	Amount deposited under protest - ₹ 104.58 Lakhs
Income Tax	Penalty u/s 271AAA	Not yet quantified	AY 2012-13	The ITAT, Lucknow	The quantum of penalty is dependent on the outcome of the Appeal against Quantum proceedings referred to the preceding para.

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. The company has not issued debentures.

(ix) In our opinion and according to the information and explanations given to us, the company has applied term loans for the purposes for which the same were availed. The company had raised funds through a Rights issue during the preceding year for expansion and called only 50% of the subscribed amount, the balance 50% was called and received during the year under consideration. On the basis of the books of account and records of the company, in our opinion, the application of the funds raised is in accordance with the terms and conditions of the issue.

(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) In our opinion and according to the information and explanations given to us, the company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 r.w. Schedule V of the Companies Act, 2013.

(xii) The company is not a Nidhi Company and hence the reporting under clause (xii) of CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the company has complied with Sections 177 and Section 188 of the Companies Act, 2013, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the company has not made any preferential allotment or private placement of shares or fully or partly

convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company. The company has however made a Rights Issue to existing shareholders, which has been covered under clause (ix) above.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate companies or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Rajiv Mehrotra & Associates**
Chartered Accountants
Firm Reg.no.002253C

Rajiv Mehrotra
(Partner)
M.No.071428

Kanpur, 27th May, 2019

Annexure "B" to the Independent Auditors' Report

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

Report on the Internal Financial Controls Under Section 143(3)(i) of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls with reference to financial statements of Kanpur Plastipack Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, 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 with reference to Financial Statements were 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial controls with reference to Financial Statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

For **Rajiv Mehrotra & Associates**
Chartered Accountants
Firm Reg.no.002253C

Rajiv Mehrotra
(Partner)
M.No.071428

Kanpur, 27th May, 2019

Balance Sheet as at 31st March, 2019

₹ in Lacs

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets :			
Property, Plant and Equipment	4	16,385.08	7,824.87
Capital Work-in-Progress	4	190.55	3,542.33
Other Intangible Assets	4	-	-
		16575.63	**11367.20**
Other Financial Assets	5	369.79	321.32
Other Non-Current Assets	6	110.02	165.34
		479.81	**486.66**
Current Assets :			
Inventories	7	5176.00	4035.24
Financial Assets :			
Investments	8	621.29	355.46
Trade Receivables	9	4643.58	5785.97
Cash and Cash Equivalents	10	22.18	14.47
Other Bank balances	11	124.88	92.03
Other Current Assets	12	1147.14	812.47
		11735.07	**11095.64**
TOTAL ASSETS		**28790.51**	**22949.50**
EQUITY & LIABILITIES :			
Equity :			
Equity Share capital	13	1431.96	1313.27
Other Equity	14	11242.07	9147.53
		12674.03	**10460.80**
Liabilities :			
Non-current liabilities			
Financial Liabilities :			
(i) Long Term Borrowings	15	5831.39	2783.70
(ii) Other Financial Liabilities	15	0.00	0.00
Long Term Provisions	16	538.74	506.89
Deferred Tax Liabilities	17	899.30	868.51
		7269.43	**4159.10**
Current Liabilities :			
Financial Liabilities :			
Borrowings	18	6270.21	5520.24
Trade Payables			
- Total Outstanding dues of Creditors other than micro and small enterprises	19	562.43	728.72
- Total Outstanding dues of micro and small enterprises	19	171.09	166.27
Trade Payables			
Provisions	20	325.21	391.80
Other Current Liabilities	21	1518.11	1522.57
		8847.05	**8329.60**
TOTAL EQUITY & LIABILITY		**28790.51**	**22949.50**
Significant Accounting Policies and Notes to Accounts	1-2		

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA
Partner
Membership No.: 071428

Place: Kanpur
Date: 27th May, 2019

For and on behalf of the Board of Directors

VISHAL JAIN
Chief Financial Officer

MANOJ AGARWAL
Managing Director

ANKUR SRIVASTAVA
Company Secretary

SHASHANK AGARWAL
Deputy Managing Director

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

₹ in Lacs

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from operations	22	32,314.47	27,853.55
Other income	23	1,105.91	664.95
Total Income		**33,420.38**	**28,518.50**
Expenses			
Cost of materials consumed	24	16,423.69	15,368.84
Purchase of stock-in-trade	25	4,296.71	882.81
Changes in inventories of Finished Goods, Stock in Trade and Work in Progress	26	(1,102.21)	(432.09)
Emloyee benefit expense	27	3,270.77	2,829.26
Depreciation and amortisation expense	4	668.62	410.64
Other Expenses	28	6,738.30	6,384.00
Finance Costs	29	958.40	640.31
Total Expenses		**31,254.28**	**26,083.77**
Profit/(Loss) before Exceptional Items, Share of Net Profits of Investments accounted for using Equity Method		**2,166.10**	**2,434.73**
Share of Net Profits of Associates & Joint Ventures accounted for using Equity Method		-	-
Profit before Exceptional Items & Tax		**2,166.10**	**2,434.73**
Exceptional items		-	-
Profit/(Loss) before Tax		**2,166.10**	**2,434.73**
Income Tax Expense			
Current tax		466.78	792.00
Earlier Year Tax Adjustments		48.41	2.35
Deferred tax		30.79	48.25
Profit/(Loss) for the period from Continuing Operations		**1,620.12**	**1,592.13**
Discontinued Operations			
Profit from Discontinued Operations before Tax		-	-
Tax Expense of Discontinued Operations		-	-
Profit from Discontinued Operations		-	-
PROFIT/(LOSS) FOR THE YEAR		**1,620.12**	**1,592.13**
Other Comprehensive Income			
A. Items that may be reclassified to profit or loss		-	-
Income Tax relating to these Items		-	-
B. Items that will not be reclassified to profit or loss **(Gratuity Provision debited in P&L A/C)**		(13.65)	(31.63)
Income Tax relating to these Items		0.00	0.00
Other Comprehensive Income for the Year (Net of Tax)		**(13.65)**	(31.63)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,633.77**	**1,623.76**
Earnings per Share (for continuing operations)			
Basic EPS		11.65	13.36
Diluted EPS		11.40	13.13
Earnings per Share (for discontinued operations)			
Basic EPS		-	
Diluted EPS		-	
Earnings per Share (for discontinued & continuing operations)			
Basic EPS		11.65	13.36
Diluted EPS		11.40	13.13

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA
Partner
Membership No.: 071428

Place: Kanpur
Date: 27th May, 2019

For and on behalf of the Board of Directors

VISHAL JAIN
Chief Financial Officer

MANOJ AGARWAL
Managing Director

ANKUR SRIVASTAVA
Company Secretary

SHASHANK AGARWAL
Deputy Managing Director

Cash Flow Statement for the year ended 31st March, 2019

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
I) CASH FROM OPERATIONS		
A. PROFIT BEFORE TAX	**2,166.10**	**2,434.73**
B. ADJUSTEMENTS:		
Depreciation	668.62	410.64
Provision for Gratuity under OCI	13.65	31.63
Loss/(Profit) on disposal of PPE, intangible assets & non-current assets held for sale	5.81	-
Interest Income	(132.79)	(99.32)
Finance Costs (Including fair value change in financial instruments)	958.40	640.31
Loss/(Profit) on sale of mutual funds	-	(16.44)
Gain on Revaluation of Investments	(30.83)	(35.46)
Other adjutments	-	6.09
Operating Profit Before working capital changes	**3,648.96**	**3,372.18**
Adjustments for Changes in working Capital		
Decrease/(Increase) in Inventories	(1,140.76)	(49.17)
Decrease/(Increase) in Trade Receivable	1,142.39	(583.04)
Decrease/(Increase) in other Current Assets	(334.67)	545.44
Decrease/(Increase) in other Non Current Assets	55.32	(52.13)
Decrease/(Increase) in other Financial Assets	(48.47)	(9.70)
Increase/(Decrease) in Trade Payables	(161.47)	412.16
Increase/(Decrease) in Current Liabilities	(4.46)	(28.47)
Increase/(Decrease) in Non Current Liabilities	-	-
Increase/(Decrease) in Provisions	(66.59)	24.70
Increase/(Decrease) in Long term Provisions	31.85	37.66
Cash Generated from/(used) in Operations	**3,122.10**	**3,669.63**
Less: Income Tax Paid (including TDS)	515.19	794.35
NET CASH FROM OPERATIONS	**2,606.91**	**2,875.28**
II) CASH FROM INVESTING ACTIVITIES		
Purchase of PPE & Intangible assets (incl. Capital WIP)	(5,909.50)	(4,160.59)
Other Investments	-	-
Investments in Mutual Funds (Net)	(235.00)	304.06
Sale of PPE & Intangible assets	26.64	-
Interest Received	132.79	99.32
NET CASH FROM/USED IN INVESTMENT ACTIVITIES	**(5,985.07)**	**(3,757.21)**

Cash Flow Statement for the year ended 31st March, 2019

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
III) CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	890.14	855.02
Net Increase in long term borrowings	3,047.69	1,529.54
Net Increase/(Decrease) in short term borrowings	749.97	(553.63)
Payment of dividend including dividend distribution tax	(310.68)	(258.64)
Finance Costs	(958.40)	(640.31)
NET CASH FROM FINANCING ACTIVITIES	**3,418.72**	**931.98**
Net Increase in cash and cash equivalents	40.56	50.05
Cash and Cash equivalents as at the beginning of the year	106.50	56.45
Cash and Cash equivalents as at the end of the year	147.06	106.50

Notes :

1 The Cash Flow Statement has been prepared in accordance with the "Indirect Method"specified in the Ind-AS-7- "Statement of Cash Flows"

2 Cash & Cash equivalents comprise cash balances and balances with banks, including current deposit account and short term fixed deposits having original maturity period of three months only.

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA
Partner
Membership No.: 071428

Place: Kanpur
Date: 27th May, 2019

For and on behalf of the Board of Directors

VISHAL JAIN
Chief Financial Officer

ANKUR SRIVASTAVA
Company Secretary

MANOJ AGARWAL
Managing Director

SHASHANK AGARWAL
Deputy Managing Director

Statement Of Change In Equity for the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL

₹ in Lacs

Balance at the beginning of the reporting period	Nos.	Amount
As at 31st March, 2017	**1,19,38,871**	**1,193.88**
Add: Equity shares Issued partly paid up	23,87,774	119.39
As at 31st March, 2018	**1,43,26,645**	**1,313.27**
Add: Final call amount called up on shares	-	117.98
Add: Share forfieted	(14,081)	0.71
As at 31st March, 2019	**1,43,12,564**	**1,431.96**

B. OTHER EQUITY

₹ in Lacs

Particulars	Reserves and Surplus				TOTAL
	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	
As at 31st March, 2017	**-**	**-**	**324.33**	**6,722.45**	**7,046.78**
Net Profit for the Year	-	-	-	1623.76	1,623.76
Dividends					-
Interim dividend	-	-	-	-	-
Final Dividend	-	-	-	(214.90)	(214.90)
Corporate Dividend Tax	-	-	-	(43.74)	(43.74)
Transfer from retained earnings to general reserve	-	-	-	-	-
Addition on issue of Equity	-	-	-	-	-
Transfer from General Reserve to Capital Redemption Reserve	200.00	-	-200.00	-	-
Premium Received During the Year	-	776.03	-	-	776.03
Expense Incurred on Right Issue	-	(40.40)	-	-	(40.40)
As at 31st March, 2018	**200.00**	**735.63**	**124.33**	**8,087.57**	**9,147.53**
Net Profit for the Year	-	-	-	1633.77	1,633.77
Dividends					-
Interim dividend	-	-	-	-	-
Final Dividend	-	-	-	(257.71)	(257.71)
Corporate Dividend Tax	-	-	-	(52.97)	(52.97)
Transfer from retained earnings to general reserve	-	-	-	-	-
Addition on issue of Equity	-	-	-	-	-
Transfer from General Reserve to Capital Redemption Reserve	-	-	-	-	-
Premium Received During the Year	-	771.45	-	-	771.45
Expense Incurred on Right Issue	-	-	-	-	-
As at 31st March, 2019	**200.00**	**1,507.08**	**124.33**	**9,410.66**	**11,242.07**

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA
Partner
Membership No.: 071428

Place: Kanpur
Date: 27th May, 2019

For and on behalf of the Board of Directors

VISHAL JAIN
Chief Financial Officer

ANKUR SRIVASTAVA
Company Secretary

MANOJ AGARWAL
Managing Director

SHASHANK AGARWAL
Deputy Managing Director

Notes Forming Integral Part of the Balance Sheet

Note no. 1 Company Overview & Significant Accounting Policies

Company Overview

Kanpur Plastipack Limited ('KPL' or 'The Company') is a Public Limited company, domiciled in India and incorporated on 26th July, 1971 under the provisions of the Companies Act, 1956 and having its registered office at D-19-20, Panki Industrial Area Kanpur, Uttar Pradesh-208022, India.

The Company is a two star export house, engaged in manufacturing of HDPE/PP Woven Sacks, PP Box Bags, Flexible Intermediate Bulk Containers (FIBC's), Fabrics and High Tenacity PP Multi Filament Yarn. The company is also a Consignment Stockiest of M/s Indian Oil Corporation Limited and owns and operates solar power generation facility at A-1/A-2, Panki Industrial Area, Kanpur. The company completed the commissioning of a new industrial Unit for manufacturing of Flexible Intermediate Bulk Containers (FIBC's) at Gajner, Kanpur during the year, which has resulted in expansion of its manufacturing capacity and also reduced its dependence on leased capacity.

These Financial Statements were authorized by the Board of Directors for issue in accordance with the Resolution passed on 27th May, 2019.

Note no.2 Significant Accounting Policies

1.1 Basis of Preparation and Presentation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended; and the other relevant provisions of the Acts and Rules thereunder.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

i) Certain financial assets and liabilities that are measured at fair value

ii) Defined benefit plans-plan assets/liabilities measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

The financial statements are presented in Indian Rupees ('INR/`') and all values are rounded to nearest lakhs (`00,000), except where otherwise indicated.

1.2 Current v. Non Current classification:

The Company presents assets and liabilities in the balance sheet based on current/non- current classification.

(a) An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

(b) A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its general operating cycle.

1.3 Use of Estimates, Assumptions and Judgements:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the year. Differences between actual results and estimates are recognised in the year in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

Notes Forming Integral Part of the Balance Sheet

Judgments:

In the process of applying the Company's accounting policies, management has made the following judgments, which have a significant effect on the amounts recognised in the financial statements:

i. Operating lease commitments — Company as lessee

The Company has taken various commercial properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

ii. Recoverability of Debts/advances

The company has several debts outstanding in the ordinary course of business, some of which remain outstanding beyond their due date. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such debts/ advances to be good and recoverable and classified the same as Current Assets.

Estimates:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Taxes, including Evaluation of recoverability of Deferred tax assets:

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the company.

ii. Gratuity benefit:

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuation. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

iii. Fair value measurement of financial instrument:

The fair value of financial assets and financial liabilities recorded in the balance sheet has been arrived at on the basis of the quoted prices in active markets, wherever available. For such financial assets and financial liabilities which cannot be measured based on quoted prices in active markets, their fair value is measured using other accepted valuation techniques. Changes in assumptions used in applying these methods could affect the reported fair value of financial instruments.

iv. Warranty provision/Quality Claim

Provision for quality claims is determined based on the historical percentage of claims expense to sales for the same types of goods for which the claim is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the expected claim expense to be accrued. It is adjusted to account for unusual factors, if any. It is very unlikely that actual claims will exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

Notes Forming Integral Part of the Balance Sheet

1.4 Property, Plant and Equipment

i) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

ii) The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes, if any), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

iii) Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv) Spare parts which meet the definition of Property, plant and equipment are capitalized as Property, plant and equipment. In other cases, the spare parts is inventorised on procurement and charged to Statement of Profit and Loss on consumption.

v) An item of Property, plant and equipment and any significant part initially recognised separately as part of Property, plant and equipment is de-recognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets is included in the Statement of Profit and Loss on consumption.

vi) The residual value and useful lives of Property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

vii) In the previous year, the Company had elected to use exemption available under Ind AS 101 to continue with the carrying value for all its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind-ASs, measured as per previous GAAP and use that as its deemed cost as at the transition date.

viii) Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date and advances made for the same.

ix) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The useful lives for various categories of property, plant and equipment are as given below:

Sl.No.	Description	Useful life (in years)
1.	Buildings	60 years
2.	Plant and equipment qualifying as Continuous Process Plant	25 years
3.	Other Plant and Equipment for three shift working (Useful life is estimated for a three shift working)	25 years
3.	Furniture and fittings	10 years
4.	Office equipment	05 years
5.	Vehicles	08 years

x) Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

1.5 Inventories:

i. **Basis of Valuation:** Inventories are stated at lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

ii. **Method of Valuation-** Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

iii. The inventories of finished goods, which were in transit or lying at port as at the reporting period have been valued at lower of cost and market value. The cost has been worked out as per the Retail Method.

The inventories have been physically taken by the management periodically.

Notes Forming Integral Part of the Balance Sheet

1.6 Revenue Recognition:

The company derives its revenues primarily from sale of merchandise and C&F commission agency services.

Effective 1st April, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115. However there was no effect of initially applying this standard as at the date of initial application (i.e. 1st April, 2018).

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding central taxes or duties collected on behalf of the Government. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, but including Goods and Services Tax collected on behalf of the Government. However the GST collected and paid has been shown as a deduction under the heading 'Revenue from Operations' and only the net Revenue from Operations has been stated in the Statement of Profit and Loss.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised:

a) Sale of goods:

a. Inland sales have been accounted for at the time of dispatch of goods from the factory.

b. Export Sales have been recognized only after the company looses control over the material i.e. once the goods have been shipped on board.

c. Sales have been recorded net of rebates and trade discounts but are grossed up for Goods and Services Tax collected thereon.

b) Job Work Income:

Job Work income is recognized upon completion of the assigned job, on the basis of the contractual terms.

c) Commission Income

Commission income in recognized to the extent it is probable that economic benefits will flow to the company and the revenue can be reliably measured and the company has contractual right to such revenue.

d) Interest Income

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income".

e) Export Incentives:

The revenue in respect of export incentives has been recognized to the extent it is probable that economic benefits will flow to the company and the incentive value can be reliably measured.

1.7 Employee Benefits:

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Company contributes a part of the contributions to the Government administered Provident/Pension Fund. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through the provident fund scheme as and expense, when an employee renders related services.

Notes Forming Integral Part of the Balance Sheet

Other long term employee benefits

The company does not have any structured Employee's Gratuity Fund Scheme. However the company provides for its gratuity liability as a defined benefit plan. The liabilities with respect to Gratuity Plan are determined by actuarial valuation. The Company does not make any contributions and meets its gratuity liability from its own sources as and when the claims arise.

1.8 Government Grants:

- Government Grants are recognised at their realizable value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.
- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset

The company is an exporter and receives grants in the form of Duty Drawbacks, Import entitlement etc. the same are recognized only after the primarily conditions of the respective schemes have been complied. In respect of the Merchant Export Incentive Scheme (MEIS), a claim for grant of the licence under the Scheme can be filed only after realization of export proceeds. Accordingly, the value of incentive receivable, in respect of the export realisations received during the year have been accounted for at realizable value.

The company is also entitled to grants in the nature of interest subsidy under the Technology Upgradation Fund Scheme (TUFS). The claims filed for reimbursement of interest expense incurred have been recognised and netted off against the interest expense for the year.

1.9 Borrowing Costs

- Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds.
- Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowings costs are charged to the Statement of Profit and Loss.

1.10 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian Rupee (₹) which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the prescribed exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the period in which they arise.

1.11 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

1.12 Offsetting of financial Assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

1.13 Taxes

Tax expense for the year comprises of current tax and deferred tax.

Notes Forming Integral Part of the Balance Sheet

a) Current Tax

(i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

(ii) Current income tax relating to item recognised outside the Statement of Profit and Loss is recognised outside Profit or Loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or direct in equity.

1.14 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share consolidation, without a corresponding change in resources, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares, if any.

The partly paid up equity shares have been treated as potential equity shares in accordance with Ind-AS 33, for the period for which the same remained partly paid up.

1.15Provisions, Contingent Liabilities and Commitments

(i) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(ii) The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

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

(iv) Contingent liabilities are possible obligations whose existence will only be confirmed by future events

Notes Forming Integral Part of the Balance Sheet

not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

(v) Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

1.16 Several debit and credit balances are subject to confirmation by parties.

1.17 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured in accordance with Ind-AS 113, using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The quantitative disclosures of fair value measurement hierarchy are contained in Note No.35.

Note No.3 Recent Indian Accounting Standards (Ind-As) - Disclosures pursuant to Para 30 of Ind-AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The company has not applied the following New Indian Accounting Standards/amendments to the existing Standards, which though issued, were not effective as at the Reporting date:

1.1 Applicability of Ind-AS 116 - Leases w.e.f. 01.04.2019

Ind AS 116, which is effective for accounting periods starting on and after 01.04.2019, will replace the existing leases standard, Ind AS 17 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. Whereas the new standard substantially carries forward the lessor accounting requirements of

Notes Forming Integral Part of the Balance Sheet

Ind AS 17, there is substantial change in lease accounting for lessees. The standard introduces a single, on-balance sheet lessee accounting model for lessees. Under the new standard, a lessee will recognises 'right-of-use asset' representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. The Company will adopt Ind AS 116, effective annual reporting period beginning 1st April, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1st April, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 1st April, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

1.2 Amendment to Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

1.3 Amendment to Ind AS 109 Financial Instruments - Prepayment Features with Negative Compensation -

The amendments notified, pertain yp classification of a financial instrument with prepayment feature with negative compensation, where the terms of the contract of financial instrument permit the lender/issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. The company does not expect this amendment to have any impact on its financial statements.

1.4 Amendment to Ind AS 19 Employee Benefits - Plan Amendment, Curtailment or Settlement-

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/ asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. The company does not expect this amendment to have any significant impact on its financial statements.

1.5 Amendment to Ind AS 23 Borrowing Costs -

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect this amendment to have any significant impact on its financial statements.

1.6 Amendments to Ind AS 28 Long-term Interests in Associates and Joint Ventures -

The company does not currently have any long-term interests in associates and joint ventures.

1.7 Amendments to Ind AS 103 Business Combinations and Ind AS 111 –

Joint Arrangements - The company does not currently have any long-term interests in associates and joint ventures.

Notes Forming Integral Part of the Balance Sheet

Note : 4 PROPERTY, PLANT AND EQUIPMENT

₹ in Lacs

Particulars	Lease Hold Land	Freehold Land	Buildings	Vehicles	Furniture & Fittings	Office Equipment	Plant & Machinery	Intangible Assets	Grand Total	Capital Work in Progress
AT COST										
Cost as at 1st April, 2017	468.56	662.68	1,592.74	170.97	89.39	222.31	7,075.26	73.88	10,355.79	296.92
Additions	-	1.43	218.29	71.69	56.49	48.96	518.33	-	915.19	3,542.33
Disposals/Transfer	-	-	-	-	-	-	-	-	-	(296.92)
Cost as at 1st April, 2018	**468.56**	**664.11**	**1,811.03**	**242.66**	**145.88**	**271.27**	**7,593.59**	**73.88**	**11,270.98**	**3,542.33**
Additions	-	34.72	4,254.54	275.89	74.67	134.70	4,486.76	-	9,261.28	5,521.14
Disposals/Transfer	-	-	-	37.96		-	16.32	-	54.28	8,872.92
As at 31st March, 2019	**468.56**	**698.83**	**6,065.57**	**480.59**	**220.55**	**405.97**	**12,064.03**	**73.88**	**20,477.98**	**190.55**
Depreciation as at 1st April, 2018	54.39	-	484.79	71.46	55.38	250.93	2,455.28	73.88	3,446.11	-
Charge for the Year	4.82	-	131.21	34.01	15.59	39.42	443.57	-	668.62	-
Transfers	-	-	-	16.66			5.17	-	21.83	-
As at March, 2019	**59.21**	**-**	**616.00**	**88.81**	**70.97**	**290.35**	**2,893.68**	**73.88**	**4,092.90**	**-**
NET CARRYING AMOUNT										
As at 31st March, 2018	**414.17**	**664.11**	**1,326.24**	**171.20**	**90.50**	**20.34**	**5,138.31**	**-**	**7,824.87**	**3,542.33**
As at 31st March, 2019	**409.35**	**698.83**	**5,449.57**	**391.78**	**149.58**	**115.62**	**9,170.35**	**-**	**16,385.08**	**190.55**

NOTE: Lease in respect of the Leasehold Land (carrying cost ₹ 83.72 lakhs (PY ₹ 83.72 Lakhs) situated at Jainpur, Kanpur Dehat has been cancelled suo moto by the UPSIDC, and the Lease premium of ₹ 33.59 lakhs has been refunded. However the company is contesting the said action of the UPSIDC and therefore the amount received from UPSIDC has been accounted for as a 'Liability' while the Leasehold Land is carried as such in these financial statements. The cancellation of the Lease otherwise has no effect on the operations of the company and no assets of the company were situated/installated at the said premises.

Notes Forming Integral Part of the Balance Sheet

NOTE -5 OTHER FINANCIAL ASSETS

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Secured, Considered Good :		
(i) Other Deposit		
- Stamp Duty paid Under Protest	31.52	31.52
- Interest accrued on Security deposit.	17.22	13.91
- Fixed Deposits with banks having maturity period of more than 12 months	66.61	66.56
- Security Deposits to Govt. & Others	254.44	209.33
	369.79	**321.32**
(b) Unsecured, Considered Good	-	-
(c) Doubtful	-	-
	369.79	**321.32**

Additional Disclosures
The Fixed Deposits with Banks are in the nature of margin money towards LC and BG Limits.

NOTE - 6 OTHER NON-CURRENT ASSETS

(Unsecured , Considered Good)

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Income Tax Refund receivable/Demand deposited under protest	107.03	107.03
VAT Recoverable (CST Recoverable under protest)	2.99	2.99
Excise Duty/Service Tax Refund Receivable	-	55.32
	110.02	**165.34**

CURRENT ASSETS :

NOTE - 7 INVENTORIES

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
1 Raw Material	1,490.87	1,597.30
2 Raw Material (in Transit)	88.20	-
3 Goods -in-Process	2,497.21	2,003.79
4 Finished Goods (including goods lying at port)	742.80	134.01
5 Stores & Spares/ Others	356.92	300.14
	5,176.00	**4,035.24**

NOTE - 8 INVESTMENTS

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in Mutual Funds as on 31/03/2019 is ₹ 555.000 Lacs (PY ₹ 320.00 Lacs)	621.29	355.46
	621.29	**355.46**

Notes Forming Integral Part of the Balance Sheet

NOTE - 9 TRADE RECEIVABLES

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
- Secured trade receivables- considered Good	-	-
- Un-Secured trade receivables- considered good	4,351.21	4,876.66
- Trade Receivables which have significant increase in credit risk	292.37	909.31
- Trade Receivables - Credit impaired	-	-
	4,643.58	**5,785.97**

NOTE - 10 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash in Hand	4.24	2.06
Balances with Banks:		
Current Accounts	17.94	12.41
	22.18	**14.47**

NOTE - 11 OTHER BANK BALANCES

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Earmarked balances with banks		
Unclaimed dividend with bank	54.79	51.94
FDRs held as Margin Money with Banks	70.09	40.09
	124.88	**92.03**

Additional Disclosures

The Fixed Deposits with Banks are in the nature of margin money towards LC and BG Limits

NOTE - 12 OTHER CURRENT ASSETS :

SHORT-TERM LOANS AND ADVANCES(UNSECURED)

(Unsecured and Considered Good)

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Income Tax Refund Receivable	12.85	3.48
(b) Others loans & advances considered good		
1 Advance to Staff	21.41	11.80
2 Pre-paid Expenses	62.04	58.12
3 Advances to Suppliers & Others	253.08	116.73
4 Interest Recoverable under TUF Scheme / others	6.31	27.28
5 Excise Duty/Service Tax Refund	55.32	-
6 GST Recoverable		
(i) GST Refundable	290.95	103.26
(ii) ITC Receivable	445.18	491.80
	1,147.14	**812.47**

Notes Forming Integral Part of the Balance Sheet

NOTE - 13 EQUITY SHARE CAPITAL

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
1 Authorised Capital		
(in Lacs) 200.00 Equity Shares of ₹ 10/- each (in Lacs)	2,000.00	2,000.00
(200 Equity shares of ₹ 10/- each)		
(in Lacs) 20.00 Preference Shares of ₹ 10/- each (in Lacs)	200.00	200.00
(20.00 Equity Shares of ₹ 10/- each)	**2,200.00**	**2,200.00**
A. Issued, Subscribed and Paid-up Capital		
14312564 (Previous years 14326645) Equity Shares of ₹ 10/- each each fully called and paid up		
(i) 11938871 (Previous years 11938871) Equity Shares of ₹ 10/- each each fully paid up	1,193.88	1,193.88
(ii) 2373693 Equity Shares (Previous year 2387774 called and paid up ₹ 5/- each) of ₹ 10/- each fully Called and Paid up	237.37	119.39
(iii) Share Forfeiture Account (14081 Shares called up ₹ 10/- each and paid up ₹ 5/- each) (Calls unpaid by Directors/Officers as at 31.03.2019 were - ₹ Nil)	0.71	-
	1,431.96	**1,313.27**

B Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees in proportion to the paid up value of the equity shares. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

NOTE - 14 OTHER EQUITY

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
A. SECURITIES PREMIUM ACCOUNT		
Balance at the beginning of the year	735.63	-
Add: Premium Received during the year	771.45	776.03
Less: Expenses incurred on Rights Issue	-	40.40
Balance as at the end of the year	**1,507.08**	**735.63**
B. CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	200.00	
Add: Transfer from Retained Earnings	-	200.00
Balance as at the end of the year	**200.00**	**200.00**
C. GENERAL RESERVE		
Balance at the beginning of the year	124.33	324.33
Add: Transfer from Retained Earnings	-	-
Less: Transferred to Capital Redemption Reserve		200.00
Balance as at the end of the year	**124.33**	**124.33**

Notes Forming Integral Part of the Balance Sheet

NOTE - 14 OTHER EQUITY (Contd..)

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
D. RETAINED EARNINGS		
Balance at the beginning of the year	8,087.57	6,722.45
Add: Net Profit for the Year	1,633.77	1,623.76
	9,721.34	8,346.21
Less:		
(i) Transferred To General Reserves	-	-
(ii) Final Dividend on Equity Shares paid during the Year (Amount per share ₹ 1.80/- , Previous Year ₹ 1.80 /- per Equity Share)	257.71	214.90
(iii) Tax on Dividend on Equity Shares	52.97	43.74
	310.68	258.64
Balance as at the end of the year	**9,410.66**	**8,087.57**
	11,242.07	**9,147.53**

NOTE - 15 LONG TERM BORROWINGS :

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Term Loans from banks (Secured)	5,698.99	2,639.17
Vehicle Finance under Hire purchase	132.40	23.53
Deposits (Unsecured)	-	66.00
Inter Corporate Deposits (Unsecured)	-	55.00
	5,831.39	**2,783.70**

NOTE - 16 LONG TERM PROVISIONS

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Provisions for Employee Benefit Obligations	538.74	506.89
	538.74	**506.89**

NOTE - 17 DEFFERED TAX LIABILITY (NET)

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
1 Deferred Tax Liabilities		
Depreciation and amortisation	1,397.04	1,126.86
2 Deferred Tax Assets		
Employee benefits	(241.84)	(258.35)
MAT Credit Entitlement	(255.90)	-
	899.30	**868.51**

Notes Forming Integral Part of the Balance Sheet

NOTE - 18 CURRENT LIABILITIES :

Financial Liabilities

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Borrowings from Bank		
1 Working Capital Loans in INR (Refer to Notes 18.1 to 18.6 below)	6,270.21	4,961.73
2 Buyer's Credit	-	558.51
	6,270.21	**5,520.24**

18.1 It includes Bill Purchase Account of ₹ 2311.22 Lacs. (Previous Year ₹ 1695.05 Lacs)

18.2 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) 3269.76 (previous year (₹ in Lacs) 3075.34).

18.3 Working Capital Loans from HDFC Bank Limited in INR in Cash Credit (Hypo) , Export Packing Credit, Balance Outstanding (₹ in Lacs) ₹ 513.85 (previous year (₹ in Lacs) NIL).

18.4 Working Capital Loans in INR from State Bank of India in Cash Credit Limits under E-DFS Scheme , Balance Outstanding of (₹ in Lacs) 175.38 (previous year (₹ in Lacs) 191.34) Consignment Stockist (IOCL) Division.

18.5 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.

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

NOTE - 19 TRADE PAYABLES

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
1 Trade Payable for purchase of Raw Material & Store, Spares (Refer Note 19.1 Below)	436.24	641.41
2 Trade Payable for Services Received	297.28	253.58
	733.52	**894.99**

As regards the disclosure requirements under the Micro, Small & Medium Enterprises Development Act, 2006, and Schedule III of the Companies Act, 2013, it may be mentioned that the company had called for information and details from its 'Suppliers' regarding their registration status and classification under the Act as Medium, Small or Micro enterprises. Based on the information received upto the date of these Financial Statements, the Trade Payables are classified as under:

Amount due to MSME	171.09	166.27
Amount due to Others	562.43	728.72
	733.52	**894.99**

19.1 (Including (₹ in Lacs) 51.26 (Previous Year ₹ 285.53 in Lacs)of Consignment Stockist (IOCL) Division.

Notes Forming Integral Part of the Balance Sheet

NOTE - 20 Provisions

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
1 Provision for taxation (Net of prepaid taxes)	-	93.35
2 Provision for Quality Claim	33.46	45.17
3 Employee Benefits (Leave Wages/Bonus)	291.75	253.28
	325.21	391.80

NOTE - 21 OTHER CURRENT LIABILITIES

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of :		
1 Long Term Debt	640.00	507.35
2 Finance Lease Obligations on vechile	56.00	22.86
3 Deposits	-	106.00
Others:		
1 TDS Payable	26.23	23.14
2 Unpaid Dividend	54.79	51.94
3 Unpaid-salary & wages	194.84	170.55
4 Payables in respect of Capital Goods	116.90	238.80
5 Outstanding Liabilities	429.35	401.93
	1,518.11	1,522.57

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 22 REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(I) Sale of Products		
(i) Plastic Products(Indigenous)	5,692.98	4,797.61
(ii) Plastic Products (Export)	21,917.40	21,973.11
(iii By-Products	539.02	510.73
(iv) Trade Tax/VAT Collected on Sales	-	44.99
	28,149.40	**27,326.44**
(II) Sale - Trading of Stock -in-Trade		
(i) Plastic Granules/ Others	4,161.99	814.11
(ii) Merchant Exports	303.32	126.89
	4,465.31	**941.00**
(III) Other Operating Revenue		
(i) Profit/(Loss) on forward foreign exchange export contracts	(1.23)	(0.29)
(ii) Foreign Exchange fluctuation on Export Sale	529.70	288.70
(iii) Job Work Receipt	-	14.82
(iv) Commission received(on Consignment Stock sales IOCL)	61.27	58.04
(v) Sale of scrap	96.86	44.55
	686.60	**405.82**
Total Revenue From Operations (I+II+III)	**33,301.31**	**28,673.26**
Less : Excise Duty and GST	986.84	819.71
	32,314.47	**27,853.55**

NOTE - 23 OTHER INCOME

₹ in Lacs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(i) Export Incentive(Focus Market/Product scheme)	939.08	512.48
(ii) Miscellaneous income	3.21	1.25
(iii) Interest Received	132.79	99.32
(iv) Profit on Sale of Investment	-	16.44
(v) Gain on revaluation of Investments	30.83	35.46
	1,105.91	**664.95**

NOTE - 24 COST OF THE MATERIALS CONSUMED

₹ in Lacs

	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening Stock :		
Raw Materials	1,597.30	1,812.45
Add : Purchases	16,317.26	15,153.69
Less : Closing Stock	1,490.87	1,597.30
Materials Consumed	**16,423.69**	**15,368.84**

NOTE - 25 PURCHASE OF STOCK IN TRADE

₹ in Lacs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Purchase of stock-in-trade (Merchant Export)	294.34	99.15
Purchase of Plastic Granules	4,002.37	783.66
	4,296.71	**882.81**

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 26 CHANGES IN INVENTORIES

₹ in Lacs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening Stock :		
Goods in Process	2,003.79	1,489.08
Finished Goods	134.01	216.63
Less : Closing Stock		
Goods in Process	2,497.21	2,003.79
Finished Goods (Includes FG in Transit)	742.80	134.01
(Increase) Decrease in Stock	**(1,102.21)**	**(432.09)**

NOTE - 27 EMPLOYEE BENEFITS EXPENSES

₹ in Lacs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(i) Salaries, Wages, Bonus & Others	2,590.65	2,272.41
(ii) Contribution to Provident and other Funds	169.23	167.90
(iii) Staff welfare expenses	252.99	130.11
(iv) Directors' Remuneration	161.66	154.09
(v) Directors' Commission	96.24	104.75
	3,270.77	**2,829.26**

NOTE - 28 OTHER EXPENSES

₹ in Lacs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Stores and Spares Consumed	702.18	594.97
Power and Fuel	1,713.55	1,581.77
Other Direct Expenses	2,262.61	2,117.37
Repairs and Maintenance		
- Building'	89.27	37.32
- Plant and Machinery	110.11	71.38
- Others	34.61	19.18
Advertisement and Publicity	4.99	2.75
Traveling and Conveyance		
- Directors'Traveling including Foreign Travel	44.57	28.19
- Sales Staff	21.02	14.26
- Other	56.74	22.52
Selling and Promotional Expenses	183.56	124.48
Freight and Fowarding	957.02	1,225.27
Claims and Discount	32.49	58.18
Sales Tax / VAT	-	44.99
Bad Trade Receivables/Advances Written Off	0.10	17.17
Legal and Professional	158.51	88.63
Meeting, Recruitment & Training Expenses	8.96	18.87
Printing and Stationery/ Books and Periodicals	30.50	26.63
Vehicle Maintenance	29.93	21.59
Rent	44.99	64.62
Rates and taxes	33.90	20.99
Corporate Social Responsibility	50.03	43.60
Communication Expenses	45.17	37.65
Auditors' Remuneration		
Audit Fees	4.00	4.00
Tax & Vat Audit Fees	0.50	0.50
Services for Tax matter	3.40	2.10

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 28 OTHER EXPENSES (Contd..)

₹ in Lacs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Subscription and Memberships	10.25	11.28
Insurance Expenses	78.89	54.43
Directors' Sitting Fees	8.73	6.89
Miscellaneous Expenses	11.91	22.42
Loss on disposal of Fixed Assets	5.81	-
	6,738.30	**6,384.00**

NOTE - 29 FINANCE COSTS

₹ in Lacs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(i) Interest to Bank & others	775.54	514.54
(ii) Interest on Deposits	5.44	29.08
(iii) Bank Charges	168.24	101.40
(iv) Foreign Currency Exchange Gains/(Losses)	9.18	(4.71)
	958.40	**640.31**

NOTE - 30 DIVIDEND

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

The dividends paid in the years reported in these financial statements are duly disclosed in the Statement of changes in Equity of the year in which payment has been made, irrespective of the year in which the same were proposed.

Dividends paid during the year ended 31st March, 2019 include an amount of 1.80 per equity share towards final. dividend for the year ended 31st March, 2018.

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On 27th May, 2019, the Board of Directors of the Company have proposed a final dividend of 1.80 per share in respect of the year ended 31st March, 2019 subject to the approval of shareholders at the Annual General Meeting. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 310.58 Lakhs, inclusive of corporate dividend tax of ₹ 52.96 Lakhs.

NOTE 31 SEGMENT REPORTING

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015). For management purposes, the company is organized into business segment based on its products and services and has three reportable segments as follows:

a) Operating Segments

Plastic Division	:	Domestic and Export sale of manufactured and traded plastic products
Consignmnet Stockiest	:	Consignment Stockiest for Indian Oil Corporation Ltd.
Solar Power Division	:	Generation and supply of power. The same is consumed by the company in is manufacturing operations.

Notes Annexed to and Forming Part of the Profit & Loss

b) Summary of Segmental Information

₹ in Lacs

	Plastic Division		Consignment Stockiest		Solar Power Division		Total Operations	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
1. Segment Revenue	33,307.31	28,382.94	113.07	135.56	38.18	37.45	33,458.56	28,555.95
Less:Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Sales/Income from Operations	**33,307.31**	**28,382.94**	**113.07**	**135.56**	**38.18**	**37.45**	**33,458.56**	**28,555.95**
2. Segment Results (Profit Before Tax and Interest)	3,026.49	2,955.22	74.89	98.44	23.12	21.38	3,124.50	3,075.04
Less : Unallocated Interest Finance Charges	916.83	597.44	38.14	37.53	3.43	5.34	958.40	640.31
Total Profit before tax	**2109.66**	**2,357.78**	**36.75**	**60.91**	**19.69**	**16.04**	**2166.10**	**2,434.73**
3. Capital Employed(Segment Assets - Segment Liabilities)	12,005.21	9,848.44	418.03	381.25	250.79	231.11	12,674.03	10,460.80
4. Segment Assets	16,305.74	11,085.21	-	-	269.89	281.99	16,575.63	11,367.20
5. Depreciation	656.48	398.46	-	-	12.14	12.18	668.62	410.64

c) The assets and liabilities as mentioned in the Balance Sheet include the following amounts as related to Consignment Stockiest Division of the Company

Particulars	2018-19	2017-18
i. Trade Receivables	331.84	553.87
ii. Cash & Bank Balances	16.33	11.14
iii. Short Term Loans & Advances	296.51	293.11
iv. Reserves & Surplus	418.03	381.25
v. Trade Payable	51.27	285.53
vi. Other Current Liabilities	-	-
Vii. Short Term Borrowings	175.38	191.34

d) The assets and liabilities as mentioned in the Balance Sheet include the following amounts as related to Solar Power Division of the Company

₹ in Lacs

Particulars	2018-19	2017-18
i. Fixed Assets	269.89	281.99
ii. Trade Receivables	4.35	-
iii. Cash & Bank Balances		-
iv. Short Term Loans & Advances	-	0.07
v. Reserves & Surplus	250.79	231.11
vi. Trade Payable	-	0.95
vii. Other Current Liabilities	-	-
viii. Long Term Borrowings	23.45	50.00

Notes Annexed to and Forming Part of the Profit & Loss

NOTE 32 EARNING PER SHARE

Earning per Share (EPS) is computed in accordance with Ind-AS – 33- "Earning Per share" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015).

₹ in Lacs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Basic Earning Per Share		
Numerator of EPS		
Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon)	1,633.77	1,623.76
Denominator of EPS		
Weighted Average Number of equity share of ₹ 10/- each ##	14025218	12152065
Basic Earnings per share	**11.65**	**13.36**
Diluted Earning Per Share		
Numerator of EPS	1,633.77	1,623.76
Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon)		
Denominator of EPS		
Weighted Average Number of equity share of ₹ 10/- each **	14326143	12365259
Diluted Earning per Share	**11.40**	**13.13**

The number of partly paid up shares oustanding during the year has been adjusted for the paid up value for the relevant period.

The Weighted average number of shares have been worked out on the basis of number of days for which the same were outstanding during the year.

No adjustment has been made in respect of share price pre and post the Rights' Issue made by the company

The shares forfeited by the company have been considered upto the date of forfeiture.

** The partly paid up shares have been treated as fully paid up shares for the purposes of working out the Diluted EPS.

NOTE 33 CONTINGENT LIABILITIES

₹ in Lacs

Particulars	2018-2019 (₹ in Lacs)	2017-2018 (₹ in Lacs)
Counter Guarantees given to Bank for issue of performance guarantees by Bank.	631.00	631.00
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.	248.53	683.36
Labour cases pending with Labour Courts / High Court	10.00	8.50

NOTE 34 RELATED PARTY DISCLOSURES

L. Disclosure of transactions with related parties as required by IND-AS-24

(As identified by the management)

The company's related party transactions during the year and outstanding balances as on 31.03.2019 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

Notes Annexed to and Forming Part of the Profit & Loss

NOTE 34 RELATED PARTY DISCLOSURES (Contd..)

(B) Details of Directors & Key Management Personnel

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

(C) Details of Relatives of Directors

1. Manjari Agarwal - Relative of Director

Details of Transactions Nature

₹ in Lacs

Particulars	Associates Companies		Director		Relatives of Directors	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Remuneration/ Others	-	-	262.42	260.78	1.50	1.50
Sales made by the Company	-	18.00	-	-	-	-
Interest on Deposits	0.96	7.56	4.48	21.52	-	-
Outstanding Deposits	-	55.00	-	172.00	-	-
Rent paid	20.25	17.46	4.20	3.60	-	-
Rent received	0.60	0.60	-	-	-	-

NOTE 35 QUANTITATIVE DISCLOSURES OF FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 31st March, 2019

Particulars	Carrying Value 31st March, 2019	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets Measured at Fair Value				
Investments Measured At				
(I) Fair Value through Other Comprehensive Income	-	-	-	-
(Ii) Fair Value through Profit & Loss				
Investment Property	-	-	-	-
Non Current Financial Investment	-	-	-	-
Current Financial Investment	621.29	621.29	-	-
Financial Assets Measured at amortised cost				
Other Non Current Assets	110.02	-	-	110.02
Other Non Current Financial Assets	369.79	-	-	369.79
Trade Receivables	4,643.58	-	-	4,643.58
Cash & Cash Equivalents	22.18	-	-	22.18
Other Bank Balances	124.88	-	-	124.88
Other Current Financial Assets	1,147.14	-	-	1,147.14
Financial Liabilties Measured At Amortised Cost				
Non Current Financial Liabilties				
Borrowings	5,831.39	-	-	5,831.39
Other Financial Liabilities	-	-	-	-
Current Financial Liabilties				
Borrowings	6,270.21	-	-	6,270.21
Trade Payables	733.52	-	-	733.52
Other Financial Liabilities	-	-	-	-
Other Current Liabilities	1,518.11	-	-	1,518.11

Notes Annexed to and Forming Part of the Profit & Loss

NOTE 35 QUANTITATIVE DISCLOSURES OF FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 31st March, 2019 (Contd..)

Particulars	Carrying Value 31st March, 2018	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial Assets Measured at Fair Value				
Investments Measured at				
(I) Fair Value through Other Comprehensive Income	-	-	-	-
(Ii) Fair Value through Profit & Loss				
Investment Property	-	-	-	-
Non Current Financial Investment	-	-	-	-
Current Financial Investment	355.46	355.46	-	-
Financial Assets Measured At Amortised Cost				
Other Non Current Assets	165.34	-	-	165.34
Other Non Current Financial Assets	321.32	-	-	321.32
Trade Receivables	5,785.97	-	-	5,785.97
Cash & Cash Equivalents	14.47	-	-	14.47
Other Bank Balances	92.03	-	-	92.03
Other Current Financial Assets	812.47	-	-	812.47
Financial Liabilties Measured At Amortised Cost				
Non Current Financial Liabilties				
Borrowings	2,783.70	-	-	2,783.70
Other Financial Liabilities	-	-	-	-
Current Financial Liabilties				
Borrowings	5,520.24	-	-	5,520.24
Trade Payables	894.99	-	-	894.99
Other Financial Liabilities	-	-	-	-
Other Current Liabilities	1,522.57	-	-	1,522.57

Note: the company has disclosed financial instruments such as cash & cash equivalents, other bank balances, trade receivables, trade payables, bank overdrafts and other current liabilties at carrying amount value because their carrying amounts are a reasonable approximation of the fair values due to the short term maturities of these instruments.

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA
Partner
Membership No.: 071428

Place: Kanpur
Date: 27th May, 2019

For and on behalf of the Board of Directors

VISHAL JAIN
Chief Financial Officer

MANOJ AGARWAL
Managing Director

ANKUR SRIVASTAVA
Company Secretary

SHASHANK AGARWAL
Deputy Managing Director

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 48th Annual General Meeting of the Company to be held on Thursday, the 12th day of September, 2019 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, 2019 together with the Reports of Auditors' and Directors' thereon		
2.	Declaration of Dividend		
3.	Re-appointment of Shri Shashank Agarwal, who retires by rotation		
4.	Re-appointment of Shri Sunil Mehta as Executive Director for a further period of 5 years on revised terms		
5.	Appointment of Shri Dharam Bir Prasad as Independent Director		
6.	To increase the limits of borrowing and mortgage under section 180(1)(a) and Section (180(1)(c)		
7.	Ratification of the remuneration of Cost Auditor		

Signed this .....day of....., 2019

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

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 48th Annual General Meeting of the Company held on Thursday, the 12th day of September, 2019 at 12:00 Noon

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

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 mean the actual result may 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. 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

D 19-20, Panki Industrial Area, Kanpur 208 022
Tel: +91 512 2691113 - 116
Fax: + 91 512 2691117
Email: secretary@kanplas.com
CIN: L25209UP1971PLC003444
www.kanplas.com

a K&A creation | www.kalolwala.co.in