

Celebrating 40 Years of Excellence



40th Annual Report 2010-11



Providing solutions to Industrial Bulk Packaging



KANPUR PLASTIPACK LIMITED
A STAR EXPORT HOUSE

MILESTONES IN THE HISTORY OF THE COMPANY

1971	:	INCORPORATION OF THE COMPANY
1972	:	PRODUCTION OF HDPE WOVEN SACKS BEGINS
1984	:	IMPORT OF FIRST CIRCULAR LOOMS INTO THE COUNTRY
1986	:	ISSUE OF SHARES TO THE PUBLIC AND LISTING WITH BSE, UPSE & CSE
1987	:	EXPORTS OF PP BAGS TO EUROPE BEGINS
2000	:	PRODUCTION AND EXPORT OF FIBC'S TO EUROPE
2004	:	MAIDEN DECLARATION OF DIVIDEND
2008	:	ESTABLISHMENT OF NEW FINISHING UNIT AND SUBSTANTIAL EXPANSION IN FIBC'S
2011	:	PRODUCTION OF MULTIFILAMENT YARN BEGINS

KANPUR PLASTIPACK LIMITED

BOARD OF DIRECTORS

- *Chairman* : Shri MAHESH SWARUP AGARWAL
- *Managing Director* : Shri MANOJ AGARWAL
- *Executive Directors* : Shri SUNIL MEHTA
Shri SHASHANK AGARWAL
- *Independent Directors* : Shri SOUBHAGYA MAL JAIN
Shri PRADEEP KUMAR GOENKA
Dr. GYANESH NARAYAN MATHUR
Dr. JAGAN NATH GUPTA
Shri PREM S. KHAMESRA

**COMPANY SECRETARY &
COMPLIANCE OFFICER** : Shri ANKUR SRIVASTAVA

AUDITORS : PANDEY & COMPANY
Chartered Accountants
KANPUR

CORPORATE LAW ADVISORS : ADESH TANDON & ASSOCIATES
Company Secretaries
KANPUR

BANKERS : STATE BANK OF INDIA

REGISTRAR AND SHARE TRANSFER AGENT : SKYLINE FINANCIAL SERVICES PVT. LTD.
D-153/A, 1ST FLOOR,
OKHLA INDUSTRIAL AREA, PHASE-I,
NEW DELHI-110 020

REGISTERED OFFICE : D-19-20, PANKI INDUSTRIAL AREA,
KANPUR-208 022

UNITS :

1. D-19-20, PANKI INDUSTRIAL AREA, SITE-I
KANPUR - 208 022
2. A-1, A-2, UDYOG KUNJ, SITE-V,
KANPUR - 208 022
3. D-6, PANKI INDUSTRIAL AREA, SITE-II,
KANPUR - 208 022

NOTICE

Notice is hereby given that the FORTIETH ANNUAL GENERAL MEETING OF KANPUR PLASTIPACK LIMITED will be held at its Registered Office at D-19-20, Panki Industrial Area, Kanpur – 208 022 on Tuesday, the 27th day of September, 2011 at 1:00 P.M. to transact the following businesses :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss account of the Company for the year ended 31st March, 2011 and Balance Sheet as at that date together with the Reports of Auditors and Directors thereon;
2. To consider declaration of Dividend;
3. To appoint a Director in place of Shri P. K. Goenka, who retires by rotation and is eligible for re-appointment;
4. To appoint a Director in place of Dr. J. N. Gupta, who retires by rotation;
5. To appoint Auditors to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to the provisions of section 205 and Article No. 135 of Articles of Association of the Company and other applicable provisions of the Companies Act, 1956, if any, consent of the company be and is hereby accorded in favour of the Board of Directors to capitalise an amount of ₹ 2,65,31,250 (Rupees Two Crores Sixty Five Lacs Thirty One Thousand Two Hundred and Fifty Only) out of accumulated profits of the previous years and such amount be applied in paying up fully paid up 2653125 (Twenty Six Lacs Fifty Three Thousand One Hundred and Twenty Five) Equity Shares of ₹ 10 (Rupees Ten) each, to be allotted and distributed as fully paid bonus shares to the existing Equity Shareholders of 53,06,250 (Fifty Three Lacs Six Thousand Two Hundred and Fifty) Shares of the Company in proportion of 1 (One) Equity Share each for 2 (Two) Equity Shares held by such member as on the date of Book Closure as determined by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the new Equity Shares shall be allotted subject to the provisions of Memorandum and Articles of Association of the Company and shall in all respects rank pari passu with the existing fully paid up Equity Shares of the Company, with a right, to participate in full in dividend, if any, declared by the Company, from time to time.”

“RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees of the said Bonus Shares and that the Certificates in respect of the said Bonus Shares allotted shall be sent to the respective allottees within two months of the respective dates of allotment.”

“RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution.”

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

“RESOVLED THAT subject to the provisions of Sections 198, 269 & 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, consent of the Company be and is hereby accorded to the appointment of Shri Sunil Mehta as Director (Operations) for a period from 08th February, 2011 to 31st August, 2014 on the following terms and conditions :-

- I. *Remuneration* : ₹ 45,000/- – ₹ 7,500/- – ₹ 67,500/- per month
(The icrement will be due on 1st January each year)
- II. *Self Development Allowance* : ₹ 15,000/- per month.
- III. *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 herein-after :-

Category - 'A'

i) House Rent Allowance :

House Rent Allowance shall be 50% of salary.

ii) Medical Reimbursement :

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) Club Fees :

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

v) Personal Accident Insurance :

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

Category - 'B'

i) Company's contribution towards Provident Fund as per rules of the Company but not exceeding limits as prescribed under the government regulations from time to time.

ii) Company's contribution towards Superannuation Fund as per rules of the Company, but it shall not together with the Company's contribution to Provident Fund, exceed 25% of the salary. Contribution to Provident Fund and Superannuation Fund not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

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

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

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

Category - 'C'

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

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

"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 limits as prescribed under Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution."

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

"RESOVLED THAT Shri Prem S. Khamesra who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has

received a notice under Section 257 in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER THAT Shri Prem S. Khamesra shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution.”

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

“RESOLVED THAT subject to the provisions of Sections 198, 269 & 309 read with Schedule XIII, as amended and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the re-appointment of Shri Mahesh Swarup Agarwal, as Executive Chairman of the Company with the fresh terms and conditions as contained herein below for a period of 3 years w.e.f. 1st September, 2011 :

I. *Basic Salary* : ₹ 2,70,000/- per month

II. *Perquisites* : Perquisites shall be allowed in addition to salary as under.

However these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter :

Category – ‘A’

i) Housing:

House Rent Allowance shall be 10% of salary. The Company shall also provide such furniture and furnishing as may be required by the Executive Chairman. Further the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.

ii) Medical Reimbursement :

Reimbursement of actual hospitalization and other medical expenses incurred for self.

In addition, the Company will reimburse him towards Medical Expenses, the amount fixed under Government Rules from time to time, which at present are limited to ₹ 15,000/- per annum.

iii) Leave Travel Concession :

For self once in a year to any place in India or abroad subject to ceiling of one month’s salary.

iv) Club Fees:

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

v) Personal Accident Insurance:

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

Category – ‘B’

i) Company’s contribution towards Provident Fund as per rules of the Company but not exceeding limits as prescribed under the government regulations from time to time.

ii) Company’s contribution towards Superannuation Fund as per rules of the Company, but it shall not together with the Company’s contribution to Provident Fund, exceed 25% of the salary. Contribution to Provident Fund and Superannuation Fund not be included in computation of the ceiling on perquisites to the extent these, either single or put together are not taxable under the Income Tax Act, 1961.

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

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

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

Category – ‘C’

- i) He will be entitled to free use of Company’s Car with driver for official as well as for personal purpose.
- ii) 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 absence or inadequacy of profits in any financial year, the remuneration payable to Shri Mahesh Swarup Agarwal by way of salary, allowances and perquisites, shall not exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956.”

“RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution.”

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

“RESOLVED THAT subject to the provisions of Sections 198, 269 & 309 read with Schedule XIII, as amended and other applicable provisions, if any, of the Companies Act, 1956 Shri Manoj Agarwal be and is hereby re-appointed as Managing Director of the Company on fresh terms and conditions contained herein below for a further period of 3 years w.e.f. 1st September, 2011 :

I. *Remuneration* : ₹ 2,40,000/- – ₹ 15,000/- — ₹ 2,70,000/- per month.

II. *Perquisites* : Perquisites shall be allowed in addition to salary as under.

However these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter:-

Category – ‘A’**i) Housing :**

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

ii) Medical Reimbursement :

Reimbursement of actual hospitalization medical expenses incurred for self and family.

In addition, the Company will reimburse him towards Medical Expenses, the amount fixed under Government Rules from time to time which at present are limiting to ₹ 15,000/- per annum.

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) Club Fees:

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

v) Personal Accident Insurance :

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

Category – ‘B’

- i) Company’s contribution towards Provident Fund as per rules of the Company but not exceeding limits as prescribed under the government regulations from time to time.
- ii) Company’s contribution towards Superannuation Fund as per rules of the Company but it shall not together with the Company’s contribution to Provident Fund exceed 25% of the salary. Contribution to

Provident Fund and Superannuation Fund not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- iii) Gratuity as per rules of the Company but shall not exceed half month's salary for each completed year of service.
- iv) Encashment of leave at the end of tenure of service will not be included in the computation of the ceiling on perquisites.
- v) He will not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committees thereof.

Category – 'C'

- i) He will be entitled to free use of Company's Car with driver for official as well as for personal purpose.
- ii) 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 absence or inadequacy of profits in any financial year, the remuneration payable to Shri Manoj Agarwal by way of salary, allowances and perquisites, shall not exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution."

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

"RESOVLED THAT subject to the provisions of Section 198 & 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, the consent of the Company be and is hereby accorded to revise the terms and conditions of appointment of Shri Shashank Agarwal Director (Technical) for the remaining tenure of his present term :-

I. Remuneration : ₹ 70,000/- – ₹ 10,000/- – ₹ 90,000/- per month

(The increment will be due on 1st January each year)

II. Self Development Allowance : ₹ 15,000/- per month.

III. Perquisites : Perquisites shall be allowed in addition to salary as under.

However these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter:-

Category-'A'

i) House Rent Allowance:

House Rent Allowance shall be 30% of salary. The Company shall provide such furniture and furnishing as may be required by Director (Technical). Further the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

ii) Medical Reimbursement :

Reimbursement of actual hospitalization 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) Club Fees:

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

v) Personal Accident Insurance:

Personal Accident Insurance of an amount, the annual premium of which shall not exceed ₹ 12000/-.

Category – ‘B’

- i) Company's contribution towards Provident Fund as per rules of the Company but not exceeding limits as prescribed under the government regulations from time to time.
- ii) Company's contribution towards Superannuation Fund as per rules of the Company, but it shall not together with the Company's contribution to Provident Fund, exceed 25% of the salary. Contribution to Provident Fund and Superannuation Fund not be included in computation of the ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act.
- iii) Gratuity as per rules of the Company but shall not exceed half month's salary for each completed year of service.
- iv) Encashment of leave at the end of tenure of service will not be included in the computation of the ceiling on perquisites.
- v) He will not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committees thereof.

Category – ‘C’

- i) He will be entitled to free use of Company's Car with driver for official as well as personal purpose.
- ii) 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 absence or inadequacy of profits in any financial year, the remuneration payable to Shri Shashank Agarwal, by way of salary, allowances and perquisites, shall not exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary be and are hereby jointly and / or severally authorised to do all such acts, deeds and things as may be expedient, desirable and necessary to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, if any, the borrowing power of the Company be and is hereby increased from ₹ 100 Crores to ₹ 150 Crores."

"RESOLVED FURTHER THAT consent of the Company be and is hereby accorded in favour of the Board of Directors to borrow moneys from time to time upto the limit not exceeding ₹ 150 Crores (Rupees Hundred and Fifty Crores Only) notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) exceed the aggregate of paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

"RESOLVED FURTHER THAT Shri Manoj Agarwal, Managing Director, Shri Shashank Agarwal, Director (Technical) and Shri Ankur Srivastava, Company Secretary be and are hereby jointly and / or severally authorised to do all such acts, deeds and things as may be necessary, desirable and expedient to give effect to the above resolution."

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

“RESOLVED THAT pursuant to the provisions of Section 94(1)(a) and other applicable provisions of the Companies Act, 1956, if any, Authorised Share Capital of the Company be increased from ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 80,00,000 (Eighty Lacs) Equity Shares of ₹ 10/- each and 20,00,000 Preference Shares of ₹ 10/- each to ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 1,60,00,000 (One Crores Sixty Lacs) Equity Shares of ₹ 10/- each and 40,00,000 (Forty Lacs) Preference Shares of ₹ 10/- each.”

“RESOLVED FURTHER THAT clause V of the Memorandum of Association of the Company be substituted as under :-

“The Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 1,60,00,000 (One Crores Sixty Lacs) Equity Shares of ₹ 10/- each and 40,00,000 (Forty Lacs) Preference Shares of ₹ 10/- each with power to increase or reduce the capital and to divide and subdivide the shares into several classes and to attach there to respectively such preferential qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956, or as provided by the Articles of Association of the Company for the time being.”

“RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds and things as may be necessary, expedient and desirable to give effect to the above resolution.”

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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. The Register of Members and Share Transfer Books of the Company shall remain closed from 20/09/2011 to 27/09/2011 (both days inclusive). The entitlement to dividend on shares, if declared, and Bonus, if approved, will be determined on the basis of names registered as such 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 19/09/2011 and the beneficial owners as per the Beneficiary List at the close of the business hours on 19/09/2011 provided by NSDL and CDSL.
4. The members are hereby informed that the Company would transfer the dividends, which remain unpaid over a period of 7 years, to the Investor Education and Protection Fund (IEPF) constituted under Section 205C of the Companies Act, 1956. It is pertinent to mention that no claim of investors shall lie against IEPF. The details of unpaid dividend are as follows :-

S. No.	Dividend Year	Unpaid Balance as on 31.03.2011
1.	2004-05	₹ 2,68,591.00
2.	2005-06	₹ 2,16,208.20
3.	2006-07	₹ 3,42,364.00
4.	2007-08	₹ 3,43,844.00
5.	2008-09	₹ 2,16,335.60
6.	2009-10	₹ 3,39,611.80

Investors are advised to send all un-encashed dividend warrants pertaining to the years shown above to the Company for revalidation.

5. 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.
6. 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.
7. 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) and Account No.
8. In case of physical transfer or transmission of shares, copy of PAN Card of the transferee is mandatory.
9. 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.
10. Members are requested to notify promptly changes in their address quoting their Registered Folio Nos. to the Company or its RTA.
11. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the Shareholders in respect of shares held by them. The nomination can be made by filing the prescribed Form No. 9B. Nomination forms may also be requisitioned from the Company.
12. Investors who have not yet dematerialised their physical holding in the Company are advised to avail the facility of dematerialisation.
13. Members / Proxies are requested to bring attendance slip duly filled along with their copies of Annual Report in the meeting.
14. Members are requested to fill in and send the Feedback Form provided in the Annual Report or request letter to register / update their e mail id.
15. 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.
16. Details of Directors as required under Clause 49 of the Listing Agreement with the Stock Exchange seeking re-appointment at the forthcoming Annual General Meeting are as under:

Shri P. K. Goenka and Dr. J. N. Gupta are the Directors retiring by rotation. Shri P. K. Goenka is eligible for reappointment.

Shri P. K. Goenka is a renowned Practicing Chartered Accountant of Kanpur. In view of his knowledge and experience on financial matters, the Board proposes to re-appoint him in the Board of Directors of the Company.

By Order of the Board of Directors
For KANPUR PLASTIPACK LTD.

ANKUR SRIVASTAVA
Company Secretary

Place : Kanpur

Date : 30th July, 2011

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 6 :-**

Your Company was incorporated in the year 1971 and it has completed 40 years of its existence and has continued its growth crossing various hurdles. Your Company has also completed 25 years as a Public Company. The Company is grateful to its equity shareholders for their continued trust. The Company has accumulated sufficient reserves. Considering the above factors your Directors are happy to recommend capitalize part of accumulated reserves and propose to issue Bonus Shares to its existing equity shareholders in the ratio of 1:2 i.e. one equity Bonus share for each 2 existing equity shares. The existing paid up equity share capital of the company is ₹ 5,30,62,500/- (Rupees Five Crores Thirty Lacs Sixty Two Thousand Five Hundred Only) divided into 53,06,250 (Fifty Three Lacs Six Thousand Two Hundred and Fifty) equity shares of ₹ 10/- (Rupees Ten) each and in the ratio of 1:2 the Company has to issue 26,53,125 (Twenty Six Lacs Fifty Three Thousand One Hundred and Twenty Five) equity shares of ₹ 10/- (Rupees Ten) each.

Your Directors recommend passing of this resolution as Ordinary Resolution.

None of the Directors of the Company is in any way, interested or concerned in the above mentioned resolution except as shareholders.

ITEM NO. 7 :-

Shri Sunil Mehta joined the organization in the year 2002 and was working as Vice President of the Company. He is B. Tech (Textile Technology) with over 20 years of experience in the Woven Sacks Industry. During his tenure, he has brought various improvements in the production and marketing strategies, which considerably improved the Company's performance.

Considering his technical expertise and the exemplary contribution made by him, your Directors are of the opinion to appoint him as a Whole Time Director of the Company and designate him as Director (Operations). The terms and conditions of his appointment are detailed in the Resolution no. 7 which is before your good selves for approval. As such, your Directors recommend passing of this resolution as Ordinary Resolution.

None of the Directors except Shri Sunil Mehta being himself, is concerned or interested in the resolution.

ITEM NO. 8 :-

Shri Prem S. Khamesra was appointed as an Additional Director of the Company on 30th July, 2011 by the Board of Directors according to the provision of section 260 of the Companies Act, 1956, he holds office as director only upto the date of the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956, a notice along with a fee of ₹ 500 proposing his appointment has been received by the Company.

Shri Prem S. Khamesra is a rank holder Chartered Accountant and has 26 years practicing experience. He has been an Executive Director of Mirza International, Government Nominee of UPFC and member of Taxation & Banking Committee of FICCI. He has vast and diversified experience. Considering his expertise and experience, your Directors recommend passing of this resolution as Ordinary Resolution.

None of the Directors except Shri Prem S. Khamesra being himself, is concerned or interested in the resolution.

ITEM NOS. 9, 10 & 11 :-

Shri Mahesh Swarup Agarwal (Age 84 years) was re-appointed as Executive Chairman of your Company w.e.f. 1st September, 2008 for a period of three years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956. He has about 63 years experience in the Industry and is founder of your Company. He has been guiding the Company's operations since its inception and under his able leadership, the Company has been able to firmly establish itself in the products it manufactures. He still maintains sound health and considering his contribution in the past and looking to further growth in the Company's operations, his able guidance will be beneficial to your Company. The Board proposes his re-appointment as Executive Chairman w.e.f. 01/09/2011 for a further period of three years on fresh terms & conditions as approved by the Remuneration Committee and as mentioned in Resolution no. 9.

Shri Manoj Agarwal (Age 57 years) was re-appointed as Managing Director of your Company w.e.f. 1st September, 2008 for a period of three years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956. He has a Post Graduate Management Degree and has been guiding the Company's operations for about 33 years and as its Managing Director since 2005. Under his able leadership, your Company's operations for Export Market with value added items have significantly improved. He has been instrumental in implementing the major expansion programme with thrust on Exports. His continued services will be beneficial to the Company for its continued growth. The Board proposes his re-appointment as Managing Director w.e.f. 01/09/2011 for a further period of three years on fresh terms & conditions as approved by the Remuneration Committee and as mentioned in Resolution no. 10.

Shri Shashank Agarwal was appointed as Director (Technical) of your Company w.e.f. 05th June, 2010 for a period of three years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956. He holds degree in B. Engg. (Hons.) (Manufacturing Engineering & Operation Management) from the University of Nottingham, UK. He has brought various improvements in the production and marketing strategies, which considerably improved your Company's performance. Considering his technical background and contribution to the Company's growth the Board proposes to upward revise the terms & conditions of his appointment for the remaining tenure of his term as approved by the Remuneration Committee and as mentioned in Resolution no. 11.

In view of the increased cost of living coupled with prevalent scale of salary for the services of similar executives in the corporate sector, it is proposed to increase the overall remuneration of all whole time Directors.

The Board recommends the proposed resolution at Item Nos. 9, 10 & 11 for your approval as SPECIAL RESOLUTIONS.

It is also pertinent to mention that Shri Mahesh Swarup Agarwal has attained the age of 84 years, hence in view of the amended Schedule XIII, his re-appointment shall not require Central Government's approval, if approved by Shareholders by way of Special Resolution.

The mention of the terms and conditions of appointment of Shri Manoj Agarwal as Managing Director of the Company, in the notice be treated as Compliance of Section 302 of the Companies Act, 1956.

The proposed remuneration of Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal and Shri Shashank Agarwal have been approved by the Remuneration Committee constituted under Schedule XIII of the Companies Act, 1956.

None of the Directors, except Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal and Shri Shashank Agarwal being relatives and for themselves are concerned or interested in these resolutions.

ITEM NO. 12 :-

Under the provisions of Section 293(1)(d) of the Companies Act, 1956, Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, borrow moneys (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up Share Capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

At the Annual General Meeting of the Company held on 7th September, 2009, the Shareholders had sanctioned the Borrowing Power of the Company upto ₹ 100 Crores and authorised the Board to exercise the said borrowing powers. In order to provide flexibility to the Board to manage additional fund requirements which may be needed for capital expenditure/ working capital, it is proposed to increase the borrowing power from ₹ 100 Crores to ₹ 150 Crores.

Your Directors recommend passing of this resolution as Ordinary Resolution.

None of the Directors of the Company is, in any way, concerned or interested in this Resolution except as any other Shareholder of the Company.

ITEM NO. 13:-

The existing Authorized Share Capital of the Company is ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 80,00,000 (Eighty Lacs) Equity Shares of ₹ 10/- each and 20,00,000 Preference Shares of ₹ 10/- each out of which 53,06,250 (Fifty Three Lacs Six Thousand Two Hundred and Fifty) Equity Shares of ₹ 10/- (Rupees Ten) each and 20,00,000 Preference Shares of ₹ 10/- each stand issued in the Company. Your Company is under process to capitalized part of its accumulated reserves and issue bonus shares to the existing equity shareholders of the Company. Accordingly, the Authorised Share Capital is to be suitably enhanced. Therefore, your Directors propose to increase the Authorised Share Capital to ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 1,60,00,000 (One Crores Sixty Lacs) Equity Shares of ₹ 10/- each and 40,00,000 (Forty Lacs) Preference Shares of ₹ 10/- each.

Further, in order to increase the Authorized Share Capital of the Company, the Capital Clause of the Memorandum of Association of the Company is required to be altered. The proposed resolution is recommended for approval by the shareholders, as Ordinary Resolution.

None of the Directors of the Company is in any way, interested or concerned in the above mentioned resolution except as shareholders.

By order of the Board of Directors
For KANPUR PLASTIPACK LTD.

Place : Kanpur
Date : 30th July, 2011

ANKUR SRIVASTAVA
Company Secretary

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OTHER GENERAL INFORMATION:

- iii) The Company is presently engaged in manufacturing of HDPE/PP Fabric, Sacks & FIBC Bags and during the year has also started manufacturing of Multi Filament Yarn (MFY). The turnover of the Company and its financial performance during last 3 years have been as under :

(₹ In Lacs)

Year	Sales & Other Income	Operating Profits	Net Profit after Tax
2010-11	12130.90	1045.13	302.56
2009-10	10276.17	825.53	254.01
2008-09	10238.97	683.30	186.36

- iv) The Export performance of the Company are ₹ 7098 Lacs, ₹ 6679 Lacs and ₹ 9096 Lacs during 2008-09, 2009-10 and 2010-11, respectively.
- v) There is no foreign investment or collaborators etc.
- vi) Shri Mahesh Swarup Agarwal, Executive Chairman is the father of Shri Manoj Agarwal, Managing Director of the Company. Shri Shashank Agarwal, Director (Technical) is the son of Shri Manoj Agarwal, Managing Director of the Company. They have no pecuniary relationship with the Company except as an employee. The background and other details of Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal and Shri Shashank Agarwal are as per explanatory statement.
- vii) In the industry, it is a normal trend of providing remuneration to the Chief Executives about 36 Lacs inclusive of perquisites per annum. The fact, which is very important, is the contribution of the person towards the Company. With the exemplary efforts of Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal and Shri Shashank Agarwal, the performance of Company has remarkably improved and as such, their proposed remuneration does not exceed the industry norms.
- viii) The Company has earned profits after tax to the tune of ₹ 302.56 Lacs during the financial year ended 31/03/2011 and as such has a sound profitability which is expected to increase in future. The phrase “inadequate profits” is only indicative that the salary payable to the managerial personnel exceeds the limits provided by section 198 and 309 of the Companies Act, 1956 and therefore, the provisions of section II of Schedule XIII of the said act become applicable.

By order of the Board of Directors
For KANPUR PLASTIPACK LTD.

Place : Kanpur
Date : 30th July, 2011

ANKUR SRIVASTAVA
Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and allowed the service of notice / documents including Annual Report by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register / update their e-mail id with their 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 e-mail instead of 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.

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in submitting the 40th Annual Report together with Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS:

		(₹ in Lacs)
	2010-11	2009-10
Sale / Income	12130.90	10276.17
Operating Profit	1045.13	825.53
Net Profit for the year	302.56	254.01
Appropriation:		
Proposed Dividend	53.06	53.06
Dividend on Preference Shares	8.00	—
Tax on Dividend	9.91	8.81
Balance carried to Balance Sheet	1183.58	951.20

REVIEW OF OPERATIONS:

It is a matter of great satisfaction that your Company's operations continue to grow steadily. You may note that after providing for taxation the Net Profit stands at ₹ 302.56 Lacs against ₹ 254.01 Lacs for earlier year. During the year, your Company successfully completed expansion / technologically upgradation programme. The diversified product of Multifilament Yarn was successfully commissioned and the products have been well accepted in the market. Operations at all the three units continue satisfactorily.

During the year the share capital was raised by issue of Preference Shares worth ₹ 2 Crores allotted to Promoters' Group as approved in the annual general meeting of the company held on 21/09/2010.

The trading activities as Del Credere Associate Cum Consignment Stockist of Indian Oil Corporation Limited (IOCL) continue to grow.

DIVIDEND:

Your Directors have recommended a dividend of ₹ 1/- per share for the year 2010-11.

BONUS ISSUE:

The year marks two major milestones in the life span of your Company. We have completed 40 years of successful operations since incorporation and 25 years since the public issue. During this period your Company has passed through difficult times and faced many hurdles. Over last few years operations have now been consistent and progress satisfactory whereby we now look forward to the future with confidence. To mark this momentous occasion your Directors have recommended to issue Bonus shares to the equity shareholders of the Company by way of capitalizing part of the reserves in the ratio of 1: 2 i.e. one equity share for every two equity shares held.

PROSPECTS:

Your Company continues to expand its manufacturing facilities. Technological upgradation in its plant and machinery is an ongoing process which will further improve its performance. Stress on exports of value added items and expanding the

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export market is your Company's priority to grab the opportunities being thrown up in newer markets. Packaging is an essential requirement and with economic growth your Company looks to further expand its operations. Diversified products of Multifilament Yarn has bright prospects for future growth. Your Directors have reasons to believe that the future of the Company will remain positive.

FIXED DEPOSITS:

The Company has total fixed deposits of ₹ 260.50 Lacs (including interest accrued thereon) as on 31/03/2011. This is to confirm that there are no overdue, unpaid / unclaimed deposits. The interest has also been paid in time to all deposit holders.

DIRECTORS:

In view of continued growth of the Company's Operations, under the able and expert guidance of Shri Mahesh Swarup Agarwal, Executive Chairman and Shri Manoj Agarwal, Managing Director, your Directors recommend their re-appointment for a further period of three years w.e.f. 1st September, 2011 on fresh terms and conditions.

Shri P.K. Goenka is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. In view of the services rendered by him and the growth the Company has achieved under his able guidance, your Directors recommend his re-appointment.

Dr. J. N. Gupta is also retiring by rotation and has opted not to seek re-appointment as such, shall retire at the ensuing Annual General Meeting. The Board places on record its appreciation for the services rendered by him during his tenure.

Shri Sunil Mehta was inducted to the Board as Director (Operations) w.e.f. 08th February, 2011.

Shri Prem S. Khamesra was appointed as an Additional Director on 30th July, 2011.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, Report on Corporate Governance and Management Discussion & Analysis Report are annexed to the Annual Report as Annexure 'A' which forms part of this report. The Auditors' certificate certifying that the Company has complied with the requirements of the Corporate Governance in terms of Clause 49 of the Listing Agreement is attached and forms the part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2010-11 are annexed as Annexure 'B' which forms part of this report.

PARTICULARS OF EMPLOYEES AS REQUIRED U/S 217(2A) OF THE COMPANIES ACT, 1956:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Amended Companies (Particulars of Employees) Rules, 1975, no employee is covered under Section 217(2A) of the Companies Act, 1956 and as such the particulars of employees are not required to be disclosed.

LISTING:

The Equity Shares of Company continue to be listed at Bombay Stock Exchange. We confirm that the Listing Fees for the financial year 2010-11 has been paid.

AUDITORS:

The Statutory Auditors, M/s Pandey & Company, Chartered Accountants are retiring at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :-

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards have 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 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 the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts of the Company on a going concern basis.

ACKNOWLEDGEMENT :

Your Directors place on record their sincere gratitude and are grateful for overwhelming cooperation and assistance received from State Bank of India, other Government Agencies and esteemed customers for their continued patronage, support, cooperation and assistance during the year.

Your Directors also place on record their appreciation for the high degree of professionalism, whole-hearted commitment, sincere and dedicated efforts put in by all Officers, Staff and Workmen who through their competence, hard work and cooperation have enabled the Company to achieve consistent growth.

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

Place : Kanpur
Date : 30th July, 2011

For and on behalf of the Board
MAHESH SWARUPAGARWAL
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY :

Good corporate governance practices stem from the culture and mindset of the organization. Corporate Governance is a set of system and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholders' aspirations and societal expectations. Your Company believes that transparency, accountability, fair dealing and ethical practices lead to conduct of business in efficient and effective manner. This in turn creates wealth for all stakeholders on one hand and safeguards their interest on the other.

2. BOARD OF DIRECTORS :

As on 31st March, 2011, the Board of Kanpur Plastipack Limited consisted of five Whole Time Directors and four Non-Executive Directors all of them are independent Directors. The composition of the Board and other relevant details relating to Directors are as under :

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM	No. of other Directorship	No. of other Committee Chairmanship	No. of other Committee Membership
Shri Mahesh Swarup Agarwal	Promoter -Executive	6	Yes	3	—	—
Shri Manoj Agarwal	Promoter -Executive	5	Yes	3	—	—
Shri Ashok Kumar Bhatnagar*	Executive	6	Yes	1	—	—
Shri Shashank Agarwal**	Promoter -Executive	4	Yes	3	—	—
Shri Sunil Mehta***	Executive	—	No	—	—	—
Shri Soubhagya Mal Jain	Non Executive & Independent	5	Yes	—	—	—
Shri Pradeep Kumar Goenka	Non Executive & Independent	6	Yes	7	2	2
Dr. Jagan Nath Gupta	Non Executive & Independent	5	No	1	1	—
Dr. Gyanesh Narayan Mathur	Non Executive & Independent	1	Yes	4	—	—

* Resigned from the Board on 24.01.2011 and was relieved on 30.04.2011.

** Appointed on 05.06.2010.

***Inducted to the Board w.e.f. 08.02.2011.

Details of Board Meetings held during the year 2010-11 :

During the year 2010-11, six Board Meetings were held. The details of meeting are as under:-

S. No.	Date of Board Meeting	Strength of Board	No. of Members Present
1	05 th June, 2010	8	6
2	30 th July, 2010	8	7
3	21 st September, 2010	8	7
4	30 th October, 2010	8	5
5	30 th November 2010	8	6
6	08 th February, 2011	8	7

The last Annual General Meeting of the Company was held on 21st September, 2010.

During the year, all the requirements under Clause 49 of the Listing Agreement have been complied with. The declaration to this effect has been given by the Managing Director, which is reproduced at the end of this report. The information as required under Annexure IA to Clause 49 has been made available to the Board.

3. AUDIT COMMITTEE :

The Audit Committee was duly constituted comprising of 3 Independent Directors namely Shri S.M. Jain as Chairman, Shri P.K. Goenka & Dr. J. N. Gupta as Members. Four Audit Committee meetings were held during the year 2010-11. The details of the meetings are as under :-

S. No.	Date	Committee Strength	No. of members present
1.	05 th June, 2010	3	3
2.	30 th June, 2010	3	3
3.	30 th October, 2010	3	3
4.	08 th February, 2011	3	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. REMUNERATION COMMITTEE :

The Board has duly constituted the Remuneration Committee consisting of three Non-Executive Independent Directors viz. Shri P.K. Goenka as Chairman, Dr J. N. Gupta and Shri S.M. Jain as the members of the Committee. The Committee, *inter alia*, looks into the matters of fixation of salary, perquisites, commission payable to the Directors of the Company etc.

The Company does not pay any remuneration to its non executive directors, except sitting fee for attending the Board Meetings @ ₹ 5,000/- and ₹ 500/- for attending each meeting of Audit / Remuneration Committee, besides reimbursement of expenses of traveling etc. The Company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings. The details of remuneration paid to Directors of the Company during the year 2010-11 are as under :-

	(₹ in Lacs)
i. Salary	80.82
ii. Contribution to P.F.	8.47
iii. Perquisites	20.42
iv. Sitting Fee	0.82
Total	110.53

Detail of Remuneration paid to each Executive Director of the Company :

Sl No.	Name	Designation	Total Salary p.a.(In ₹)
1.	Shri M. S. Agarwal	Executive Chairman	45.40
2.	Shri Manoj Agarwal	Managing Director	35.31
3.	Shri A. K. Bhatnagar	Executive Director	21.86
4.	Shri Shashank Agarwal	Director (Technical)	5.61
5.	Shri Sunil Mehta	Director (Operations)	1.53

5. SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE :

Shareholders'/ Investors' Grievance Committee was constituted under the Chairmanship of Shri P.K. Goenka, a Non-Executive & Independent Director. Other two members are: Shri M. S. Agarwal and Shri Manoj Agarwal. During the year 2010-11, four Committee Meetings were held during the year. Details of the meeting are as under :

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S. No.	Date	Committee Strength	No. of members present
1.	05 th June, 2010	3	3
2.	30 th July, 2010	3	3
3.	30 th October, 2010	3	3
4.	08 th February, 2011	3	3

The Committee looks into the matter relating to transfer of shares, demat of shares, issue of duplicate share certificates, redressal of shareholders / investors grievances and complaints regarding non-receipt of dividends, Annual Reports, etc.

During the year 2010-11, all the complaints received by the Company and / or registrar of the company were generally solved to the satisfaction of complainants and there was no pending complaint.

6. GENERAL BODY MEETING :

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

2009-10

Date and Time : 21st September, 2010 at 1:00 P.M.

Special Resolution : Appointment of Shri Shashank Agarwal as Director (Technical)

2008-09

Date and Time : 07th September, 2009 at 12:00 Noon

Special Resolution : Appointment of Shri Shashank Agarwal as Production Engineer at office or place of profit.

2007-08

Date and Time : 15th September, 2008 at 1:00 P.M.

Special Resolution : Re-Appointments of :-

1. Shri M. S. Agarwal, Executive Chairman

2. Shri Manoj Agarwal, Managing Director

3. Shri A. K. Bhatnagar, Executive Director

Appointment of Smt Usha Agarwal as Senior Manager (Marketing)

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

7. DISCLOSURES :

(a) 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..

(b) During the year 2010-11 :-

1. No person has been denied access to the Audit Committee;

2. The Company has complied with all the mandatory requirements and most of the non mandatory requirements specified in Clause 49 of the Listing Agreement; 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.

8. MEANS OF COMMUNICATION :

The quarterly, half yearly 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 local Hindi newspaper and in a National English Daily as per the Listing Agreement. The Annual Report and other information are also available on the website of the Company i.e. www.kanplas.com

10. GENERAL SHAREHOLDER INFORMATION :

(i) **Annual General Meeting** : Date : 27th September, 2011

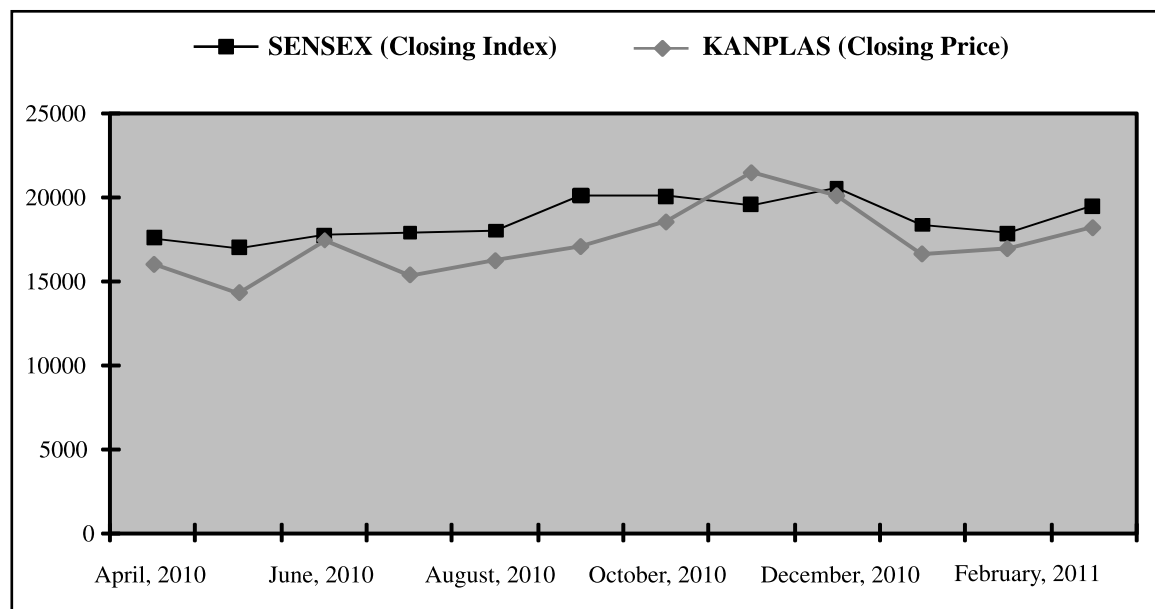
Time : 1:00 P.M.

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

- (ii) **Financial Year** : 1st April to 31st March
- (iii) **Date of Book Closure** : from 20.09.2011 to 27.09.2011 (both days inclusive).
- (iv) **Dividend payment date, if declared** : 10th October, 2011
- (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 Bombay Stock Exchange (BSE) :**

Month	High (₹)	Low (₹)
April 2010	26.10	20.00
May 2010	28.90	20.50
June 2010	31.25	22.15
July 2010	33.95	24.00
August 2010	28.05	22.65
September 2010	34.10	24.05
October 2010	30.95	26.05
November 2010	48.75	30.05
December 2010	35.90	28.65
January 2011	33.65	26.50
February 2011	31.00	25.25
March 2011	31.45	24.00

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



- (viii) **Registrar and Share Transfer Agent (RTA) :** Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi-110020

(ix). Share Transfer System :-

The shares received for transfer in physical form are processed by RTA and the Share Certificates are returned, after authorisation by the Company, within a period of 30 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.

(x). Shareholding Pattern as on 31st March, 2011 :

Category	No. of shares held	Percentage of Shareholding
Promoters	36,71,395	69.19
Mutual Funds and UTI	—	—
Financial Institutions, Banks and Insurance Companies	—	—
Private Corporate Bodies	75,824	1.43
FII's	—	—
Indian Public	13,72,913	25.87
NRI's/OCBs	1,86,118	3.51
TOTAL	53,06,250	100 %

(xi) Distribution of Shareholding as on 31st March 2011 :

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1-500	6469	96.02	866019	16.32
501-1000	112	1.66	90894	1.71
1001-2000	72	1.07	110750	2.09
2001-3000	18	0.27	47443	0.89
3001-4000	15	0.22	51683	0.97
4001-5000	15	0.22	68693	1.30
5001-10000	11	0.16	81224	1.53
More Than 10000	25	0.37	3989544	75.19
Total	6737	100	5306250	100

(xii) Dematerialization of shares : -

The Company's shares are under demat mode as well. The ISIN of the Company is INE694E01014.

As on 31st March 2011, 88.25% equity shares of the Company are in dematerialized mode.

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

: Not Applicable

(xiv) Registered Office & Works :

- (i) Registered Office : D-19-20, Panki Industrial Area, Kanpur - 208 022
- (ii) Manufacturing Units : 1- D-19-20, Panki Industrial Area, Kanpur - 208 022.
2- A-1, A-2, Udyog Kunj, Site V, Kanpur - 208 022
3- D-6, Panki Industrial Area, Site II, Kanpur - 208 022

(xv) Address for Investor Correspondence :

- For shares held in Physical Form : Kanpur Plastipack Ltd.
& for any query on the Annual Report 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-110020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(i) Industry Structure & Development

The Company is mainly engaged in manufacturing and export of FIBC (Jumbo bags) and Woven Sacks. Exports contribute about 75% of the turnover of the Company. The Company has recently ventured into manufacturing of Multifilament Yarn (MFY). We have penetrated into new areas in South America.

(ii) Opportunities, Threats & Challenges

Your Company is exploring new markets in Latin America & Africa. Western Europe is beginning to come on track. Entry into production of Multifilament Yarn would bring better opportunities in the years to come.

There is tremendous shortage of manpower and being a labour intensive industry it has the potential to affect production. However, management has adequate systems in place to constantly monitor manpower requirements.

The management remains focused on the key areas of cost effectiveness, excellence in product quality & customer service, operational productivity and efficiency.

(iii) Segment wise or product wise performance

The Company operates in two primary business segments viz Manufacturing of Fabrics & Woven Sacks and as Consignment Stockist of Indian Oil Corporation Limited.

The performance of Manufacturing activity has already been discussed in Directors' Report.

Our Trading Activities are gradually stabilizing. And we expect to improve in the years to come thus contributing to improve the bottom-line.

(iv) Outlook

The Directors' Report has specifically dealt with the subject under the head 'Prospects'.

(v) Risks and Concerns

The Raw Material used by the Company is oil based. Price volatility in the international market is an area of concern. Risks arise also due to foreign exchange fluctuation and unstable power.

(vi) Internal Control System

The Company has adequate system of internal controls. Internal audit is conducted by outside auditing firm. The Internal Audit reports are reviewed by the Audit Committee and top Management on a quarterly basis.

(vii) Financial and Operational performance

The Directors' Report has specifically dealt with the subject under the headings 'Financial Results and Review of Operations'.

(viii) Human Resource Development

The Company views its employees as valuable resources who are important stakeholders in the growth, prosperity and development of the organization. Employees are the key to the achievement of the objective of Company. Being the most valuable assets, the Company is committed to create an appropriate climate, opportunities and systems to facilitate identification, development and utilization of their full potential. The management of the Company enjoys cordial relations with its employees at all levels. The Board of Directors wish to place on record its highest appreciation for the contribution made by all the employees in achieving the excellent growth during the year.

The Company has built a pool of skilled, committed and smart working employees. Industrial Relations continued to be cordial and satisfactory during the year.

DECLARATION

I, Manoj Agarwal, Managing Director of Kanpur Plastipack Limited, hereby declare that, pursuant to Clause 49 of the Listing Agreement, all the members of the Board and the Senior Management personnel have affirmed their compliance with the Code of Conduct for the year ended 31st March, 2011.

For Kanpur Plastipack Limited

Place : KANPUR
Date : 30th July, 2011

MANOJ AGARWAL
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
KANPUR PLASTIPACK LTD.,
KANPUR.

We have reviewed the compliance of the conditions of Corporate Governance by Kanpur Plastipack Limited, for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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.

Place : Kanpur
Date : 30th July, 2011

For PANDEY & CO.,
Chartered Accountants
AMIT PANDEY
Partner
Membership No. 402377
Firm Reg. No. 000357C

ANNEXURE 'B' TO DIRECTORS' REPORT
PARTICULARS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988
A. CONSERVATION OF ENERGY :

	2010-11	2009-10
1. POWER & FUEL CONSUMPTION		
Electricity		
a) Purchased :		
– Units	1,00,13,620	84,50,302
– Total Amount (₹ in lacs)	452.76	348.99
– Rate / Unit (₹)	4.52	4.13
b) Own Generation :		
– Units	20,94,952	31,29,411
– Total Amount (₹ in lacs)	124.11	198.66
– Rate / Unit (₹)	5.92	6.35
2. CONSUMPTION PER UNIT OF PRODUCTION (KG)		
i) Electricity	1.00	0.89
ii) Own Generation	0.21	0.33
iii) Total Units	1.21	1.22

B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION :

- No research & development work has been carried out by the Company and therefore, there is no expenditure on this head nor any other benefit accrued from it.
- Technical innovation / modifications are being adopted on regular basis to achieve cost reduction and product improvement.

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) Earnings on FOB value basis	8737.45
(ii) Total Expenditure in Foreign Currency	
(a) Expenditure on Import of Raw Materials and Spare Parts	3610.18
(b) Expenditure on Export Promotion Tour	6.76
(c) Expenditure on Plant & Machinery and others	612.85

AUDITORS' REPORT

The Members of
Kanpur Plastipack Ltd.,
Kanpur.

1. We have audited the attached Balance Sheet of Kanpur Plastipack Limited ("the Company") as at 31st March, 2011, the Profit and Loss account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) Amendment Order 2004 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) we have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representation received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - (vi) in our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss Account of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For PANDEY & CO.
Chartered Accountants

Place : Kanpur
Date : 30th July, 2011

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

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in our report to the members of Kanpur Plastipack Limited ("the Company") for the year ended 31st March, 2011. We report that :

- I. In respect of its fixed assets :
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. Assets have been physically verified by the Management during the year, there is regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. Fixed assets disposed off during the year were not substantial and therefore do not effect the going concern status of the Company.
- II. In respect of its inventories :
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory, the discrepancies noticed by us on verification between the physical stock and the book records were not material.
- III. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- V. In respect of the contracts and arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanation given to us:
 - a. The particulars of the contracts and arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section.
 - b. In our opinion contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are prima facie reasonable, having regard to prevailing market prices at the relevant time where such prices are available.
- VI. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted by the Company.
- VII. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- VIII. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.

IX. In respect of Statutory Dues :

- a. According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Excise Duty, Wealth Tax, Custom Duty, Service Tax, Cess, Employees' State Insurance, and other Statutory Dues applicable to it.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Excise Duty, Wealth Tax, Custom Duty, Service Tax, Cess and other applicable statutory dues were in arrears as at 31st March, 2011 for a period of more than six months from the date they become payable.
- c. According to the information and explanation given to us, following are the details of the disputed Income Tax, Excise Duty Dues:-

Income Tax :

- a) For Assessment Years 1995-96 to 1997-98, the department reopened the cases and made Arbitrary additions in respective year. The Company went into Appeal in all the cases and they were decided at Income Tax Appellate Tribunal, Lucknow in favour of the Company. Department granted refund and simultaneously, has filed appeals with Hon'ble High Court, Allahabad in respective cases, which have not yet been admitted for any of the Assessment Years.
- b) For the Assessment Years 2001-02, a demand of ₹ 39,40,390/- was raised which was fully adjusted with brought forward losses. On certain counts, the Company went into appeal with ITAT and partially favourable orders were made by the Tribunal. After giving effect to the orders of Tribunal, refund was granted by the Assessing Officer. Simultaneously, the Company has appealed with Hon'ble Allahabad High Court, Lucknow Bench, which has been admitted and is pending for disposal.
- c) For Assessment Year 2002-03, 2003-04 & 2004-05, where the cases were reopened and for the regular assessment of Assessment year 2008-09 certain arbitrary additions were made. The company has gone for appeal in all the cases with CIT Appeals, Kanpur and the same are pending.
- d) For Assessment year 2005-06 to 2007-08, arbitrary additions were made and demands were raised. On appeal, all the cases were decided partly in favour of the Company. After given effects of the orders of ITAT, the Department has filed appeals in all the cases with Allahabad High Court and the same are pending.
- e) For Assessment year 2009-10, assessment has been completed and the demand raised has been paid.
- f) Penalty proceeding regarding Assessment Years 2002-03 to 2004-05 and 2008-09 are pending for disposal, as the respective appeals are pending at CIT Appeals.

Excise Duty :

In respect of Company's claim with Central Excise authorities regarding wrong classification of product, which was partially settled and the company was allowed consequential relief in November, 1998, the appeal of the Department against the same was rejected by the CEGAT and contention of the company was accepted. The Departmental reference filed with Hon'ble Allahabad High Court is still pending.

- X. The Company does not have any accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- XI. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or banks.

- XII. The Company has not granted loans and advances on the basis of security by way of pledge of shares, and other securities.
- XIII. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- XIV. The Company has maintained proper records of the transactions and contracts, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
- XV. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4 (xv) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- XVI. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- XVII. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have prima facie not been used during the year for long term investments.
- XVIII. The Company has made preferential allotment of Preference Shares of ₹ 200.00 Lacs to the companies/parties covered in the register maintained under section 301 of the Act, at the price which was not prejudicial to the interest of Company.
- XIX. The Company has not issued any debentures during the year under audit. Accordingly, the provisions of clause 4 (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- XX. The Company has not raised any money by way of public issues during the year. Accordingly, the provisions of clause 4 (xx) of paragraph 4 of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- XXI. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such cases by the management.

Place : Kanpur
Date : 30th July, 2011

For PANDEY & CO.
Chartered Accountants
AMIT PANDEY
Partner
Membership No. 402377
Firm No. : 000357C

FORTIETH ANNUAL REPORT

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUNDS			
Shareholders' Funds			
a) Capital	1	7,30,62,500	5,30,62,500
b) Reserves & Surplus	2	15,03,21,580	12,70,83,572
Deferred Tax Liability (Net)		2,87,85,353	2,03,36,175
Borrowed Funds			
a) Secured Loans	3	49,88,08,412	32,48,11,321
b) Unsecured Loans	4	2,60,50,431	2,66,37,995
TOTAL		77,70,28,276	55,19,31,563
APPLICATION OF FUNDS			
Fixed Assets			
a) Gross Block	5	50,19,47,851	38,00,16,378
b) Less : Depreciation		10,58,02,647	10,58,47,267
c) Net Block		39,61,45,204	27,41,69,111
d) Capital work in Progress		66,26,258	43,23,138
Investments	6	74,805	28,62,069
Current Assets, Loans & Advances			
a) Inventories	7	25,75,66,375	17,81,22,773
b) Receivables	8	17,19,11,440	12,68,62,389
c) Cash & Bank Balances	9	1,47,54,015	75,82,806
d) Loans & Advances	10	4,81,28,770	6,60,42,542
		49,23,60,600	37,86,10,510
Less : Current Liabilities & Provisions			
a) Current Liabilities	11	8,23,37,220	5,14,29,456
b) Provisions		3,72,86,666	5,81,93,633
		11,96,23,886	10,96,23,089
Net Current Assets		37,27,36,714	26,89,87,421
Miscellaneous expenditure (To the extent not written off)		14,45,295	15,89,824
TOTAL		77,70,28,276	55,19,31,563
Notes to accounts	20		

Schedules 1 to 11 and 20 form part of the Balance Sheet

As per our report of even date attached

For PANDEY & CO.

Chartered Accountants

AMIT PANDEY

Partner

Membership No. 402377

Firm Reg. No. 000357C

KANPUR

Dated : 30th July , 2011

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

M. S. AGARWAL, *Executive Chairman*

MANOJ AGARWAL, *Managing Director*

P. K. GOENKA, *Director*

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Current Year 31.03.2011 ₹	Previous Year 31.03.2010 ₹
INCOME			
Sales of Products and other Income	12	1,21,30,89,556	1,02,76,16,747
Less : Excise Duty		2,95,73,248	2,55,38,866
TOTAL		1,18,35,16,308	1,00,20,77,881
EXPENDITURE			
(Increase)Decrease in stock	13	(3,91,02,607)	(4,50,15,109)
Materials Consumed	14	77,39,17,243	68,18,50,855
Trade Tax		80,71,970	98,57,547
Manufacturing Expenses	15	16,69,94,970	14,27,74,111
Personnel Expenses	16	5,73,78,192	4,49,75,284
Administrative Expenses	17	3,87,65,087	3,33,79,234
Selling Expenses	18	7,29,78,347	5,17,02,631
TOTAL		1,07,90,03,202	91,95,24,553
Operating Profit		10,45,13,106	8,25,53,328
Financial Expenses	19	3,57,85,564	2,73,62,959
Profit Before Depreciation		6,87,27,542	5,51,90,369
Depreciation		1,80,69,502	1,54,81,330
Profit before Tax		5,06,58,040	3,97,09,039
Less : Provision for Income Tax – Current		74,82,000	1,11,00,000
– Deferred		84,49,178	31,05,496
Taxes for Earlier year		44,70,721	1,02,536
Net Profit after Tax		3,02,56,141	2,54,01,007
Adjustments relating to earlier Year			
Income / (Expenses)		78,703	2,244
Excess Depreciation Written Back		–	17,04,991
Balance brought forward from Previous Year		9,51,19,568	7,41,98,878
Profit available for appropriation		12,54,54,412	10,13,07,120
Appropriation :			
Dividend On Preference Shares			
(@ 12% on Preference Shares-on pro-rata basis		8,00,000	–
Dividend on Equity Shares			
₹ @ 1.00 (previous year-₹ 1.00) per Equity share		53,06,250	53,06,250
Tax on Dividend		9,90,586	8,81,302
Surplus carried over to Balance Sheet		11,83,57,576	9,51,19,568
Earning per Share (In Rs.)		5.70	4.79
Notes to Accounts	20		

Schedules 12 to 19 and 20 form part of the Profit and Loss Account

As per our report of even date attached

For PANDEY & CO.

Chartered Accountants

AMIT PANDEY

Partner

Membership No. 402377

Firm Reg. No. 000357C

KANPUR

Dated : 30th July , 2010

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

M. S. AGARWAL, Executive Chairman

MANOJ AGARWAL, Managing Director

P. K. GOENKA, Director

FORTIETH ANNUAL REPORT

Schedules annexed to and forming part of the Balance Sheet

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 1 : SHARE CAPITAL		
a) Authorised Capital		
80,00,000 (1,00,00,000) Equity Shares of ₹10/- Each	8,00,00,000	10,00,00,000
20,00,000 (Nil) Preference Shares of ₹10/- Each	2,00,00,000	—
	10,00,00,000	10,00,00,000
b) Issued, Subscribed & paid up Capital		
53,06,250 (53,06,250) Equity Shares of ₹10/- each fully paid up	5,30,62,500	5,30,62,500
20,00,000 (Nil) 12% Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up	2,00,00,000	—
	7,30,62,500	5,30,62,500
SCHEDULE 2 : RESERVES & SURPLUS		
a) Share Premium Account	2,06,87,500	2,06,87,500
b) General Reserve	1,12,76,504	1,12,76,504
c) Profit & Loss account	11,83,57,576	9,51,19,568
	15,03,21,580	12,70,83,572
SCHEDULE 3 : SECURED LOANS		
(1) Working Capital Loans from State Bank of India		
(a) Cash Credit (Hypo) & Cash Credit (Book Debts) including Foreign Currency Demand Loan ₹ 1,83,26,353 (Previous Year ₹1,91,26,000)	14,30,97,883	13,76,06,537
(b) Export Bills Purchase	8,88,36,055	5,61,17,737
(c) Cash credit Limits under E-DFS Scheme	1,23,00,391	—
(2) Buyer's Credit from Bank (in Foreign Currency)	4,34,56,285	—
(3) Term Loan from State Bank of India including foreign currency term loan of ₹3,68,93,936 (Previous year ₹4,23,33,592) (The above Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, & Spares and Book Debts, Export Documents and mortgage of Fixed Assets)	20,88,90,062	13,10,87,047
(4) Vehicle Finance under Hire purchase (Secured by Hypothecation of Vehicle)	22,27,736	—
	49,88,08,412	32,48,11,321
SCHEDULE 4 : UNSECURED LOANS		
(1) a) Deposits (Including Interest accrued thereon)	1,85,50,431	2,41,37,995
(b) Others (Intercompany Deposits)	75,00,000	25,00,000
	2,60,50,431	2,66,37,995

SCHEDULE 5: FIXED ASSETS

Name of Assets	GROSS BLOCK ₹			DEPRECIATION ₹			NET BLOCK ₹			
	Cost as on 01.04.2010	Adjustments/ sales during the year	Additions during the year	Total As at 31.03.2011	Till 31.03.2010	Adjustments during the Year	For the Year	Total up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land (Lease hold)	3,84,87,844	-	-	3,84,87,844	15,67,931	-	4,86,589	20,54,520	3,64,33,324	3,69,19,913
Building	9,57,48,307	-	1,37,81,759	10,95,30,066	1,54,75,001	-	31,62,803	1,86,37,804	9,08,92,262	8,02,73,306
Plant & Machinery	21,73,43,951	2,36,61,494	12,19,14,850	31,55,97,307	7,35,07,834	1,75,01,177	1,14,74,380	6,74,81,037	24,81,16,270	14,38,36,117
Electric installations	1,10,23,420	-	32,41,000	1,42,64,420	48,66,030	-	5,96,571	54,62,601	88,01,819	61,57,390
Furniture & fixtures	36,34,268	-	1,42,913	37,77,181	25,69,575	-	2,06,868	27,76,443	10,00,738	10,64,693
Office Equipment	80,52,852	37,014	22,96,707	1,03,12,545	52,29,585	28,751	8,20,653	60,21,487	42,91,058	28,23,267
Vehicles	57,25,736	7,84,260	50,37,012	99,78,488	26,31,311	5,84,194	13,21,638	33,68,755	66,09,733	30,94,425
TOTAL	38,00,16,378	2,44,82,768	14,64,14,241	50,19,47,851	10,58,47,267	1,81,14,122	1,80,69,502	10,58,02,647	39,61,45,204	27,41,69,111
Previous year figures	35,27,18,081	22,33,181	2,95,31,478	38,00,16,378	9,38,85,270	35,19,333	1,54,81,330	10,58,47,267	27,41,69,111	25,88,32,811

NOTES :

1. Depreciation on Building, Plant & Machinery, Electric Installation has been charged on straight line method, whereas the same has been charged on WDV method on Furniture & Fixtures, Office Equipments & Vehicles- as per the rates of Schedule XIV of the Companies Act, 1956.
2. Plant & Machinery are charged to Depreciation @ 5.28% (continuous process plant).
3. Gross Block of Plant & Machinery and Building Includes ₹ 2,39,69,372/- and ₹ 2,72,714/- worth of assets respectively, which have been fully depreciated.

FORTIETH ANNUAL REPORT

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 6: INVESTMENT		
A. Investment in Shares/Mutual Fund Quoted -Trade - Current (Market Value of Quoted Investment-)	—	27,87,264
B. Investment in Property Unquoted		
a) Share in Dalmia Resorts Ltd.	17,250	17,250
b) Share in Shivgarh Resorts Ltd.	57,555	57,555
	74,805	28,62,069
SCHEDULE 7: INVENTORIES		
a) 1- Raw Materials (in hand) (at cost)	9,71,66,808	6,08,01,932
2- Raw Materials (in Transit) (at cost)	69,52,133	50,95,450
b) Finished Goods and Goods in process (Finished Goods at Lower of cost or realisable value and Goods in Process (at Cost)	13,92,43,882	10,01,41,275
c) Jigs and Fixtures (at Cost)	35,49,636	36,42,579
d) Stores, Spares & others (at cost)	1,06,53,916	84,41,537
	25,75,66,375	17,81,22,773
SCHEDULE 8: RECEIVABLES		
a) Debts outstanding for a period exceeding 6 months (considered good,unsecured)	—	—
b) Other debts(considered good,unsecured) (Including ₹1,27,06,030/- of Consignment Stockist Division (previous year ₹3,32,972)	17,19,11,440	12,68,62,389
	17,19,11,440	12,68,62,389
SCHEDULE 9: CASH AND BANK BALANCES		
a) Cash in Hand	3,39,611	2,39,159
b) Balances with Scheduled Banks:-		
1) In Current Accounts	43,00,932	15,05,297
2) In Fixed Deposits (for Margin Money) (Including Interest accrued thereon)	1,01,13,472	58,38,350
	1,47,54,015	75,82,806
SCHEDULE 10: LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received		
a) Security Deposits with Government & others	65,76,176	52,70,498
b) Advance Income tax paid	77,17,816	3,66,21,457
c) Staff Advance	7,31,880	4,21,490
d) Pre-paid Expenses	23,19,263	32,46,875
e) Advances to Suppliers & Others	63,04,948	98,74,024
f) Interest Recoverable under TUF Scheme / others	70,28,131	42,12,231
g) VAT Recoverable	69,91,915	22,29,993
h) Excise Duty/Service tax Recoverable	1,01,05,865	41,65,974
i) Foreign Currency Monetary Item Translation Difference account	3,52,776	—
	4,81,28,770	6,60,42,542
SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
a) Sundry Creditors (including ₹569,373 of Consignment Stockist Division (previous year ₹Nil)	6,65,14,236	3,94,13,419
b) Outstanding Liabilities	1,58,22,984	1,20,16,037
PROVISIONS		
a) Provision for Gratuity	1,90,43,100	1,59,53,123
b) Provision for Leave wages	33,48,465	22,81,582
c) Provision for Excise Duty	3,16,265	2,46,376
d) Provision for Taxation	74,82,000	3,35,25,000
e) Provision for Dividend	61,06,250	53,06,250
f) Provision for Tax on Dividend	9,90,586	8,81,302
	11,96,23,886	10,96,23,089

Schedules annexed to and forming part of the Profit & Loss Account

	Current Year 31.03.2011 ₹	Previous Year 31.03.2010 ₹
SCHEDULE 12 : SALES AND OTHER INCOME		
(A) SALES		
Plastic Products (Indigenous)	26,99,02,296	32,92,73,838
Plastic Products (Export)	90,95,85,431	66,78,82,699
Others	1,78,28,473	1,42,08,979
Trade Tax/VAT Collected on Sales	80,71,970	98,57,547
Export Incentive (Focus Market/Product scheme)	6,06,443	—
Profit/(Loss) on forward foreign exchange export contracts	(5,78,698)	3,54,824
	<u>1,20,54,15,915</u>	<u>1,02,15,77,887</u>
(B) OTHER INCOME		
Miscellaneous Receipts	1,07,387	50,860
Interest Received	14,47,540	7,65,706
Profit on sale of Assets/Investments	7,65,736	(66,801)
Sale of Scraps	25,60,254	18,33,056
Commission (on Consignment Stock Sales)	27,92,724	34,56,039
	<u>76,73,641</u>	<u>60,38,860</u>
	<u>1,21,30,89,556</u>	<u>1,02,76,16,747</u>
SCHEDULE 13 : (INCREASE) DECREASE IN STOCK		
Opening Stock :		
Goods in Process & Finished Goods	10,01,41,275	5,51,26,166
Less : Closing Stock:		
Goods in Process & Finished Goods	13,92,43,882	10,01,41,275
(INCREASE) DECREASE IN STOCK	<u>(3,91,02,607)</u>	<u>(4,50,15,109)</u>
SCHEDULE 14 : CONSUMPTION OF MATERIALS		
Opening Stock :		
Raw Materials	6,08,01,932	4,89,81,360
Add : Purchase of Raw Materials	81,02,82,119	69,36,71,427
	<u>87,10,84,051</u>	<u>74,26,52,787</u>
Less : Closing Stock :		
Raw Materials	9,71,66,808	6,08,01,932
Materials Consumed	<u>77,39,17,243</u>	<u>68,18,50,855</u>
SCHEDULE 15 : MANUFACTURING EXPENSES		
Stores & Spare parts Consumed	1,92,21,112	1,52,29,292
Jigs and Fixtures	8,87,409	9,10,645
Machinery Repairs	20,38,086	33,54,598
Oil & Lubricant	33,78,242	32,24,708
Processing charges	7,89,21,334	6,22,07,236
Power & Fuel Consumed	6,02,51,053	5,55,41,721
Carriage Inward	22,97,734	23,05,911
	<u>16,69,94,970</u>	<u>14,27,74,111</u>

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	Current Year 31.03.2011 ₹	Previous Year 31.03.2010 ₹
SCHEDULE 16 : PERSONNEL EXPENSES		
Wages, Salary & Bonus	4,54,32,059	3,61,82,469
Labour & Staff Welfare	19,96,508	20,66,178
Contribution to PF, ESI	58,40,176	45,49,194
Gratuity	41,09,449	21,77,443
	<u>5,73,78,192</u>	<u>4,49,75,284</u>
SCHEDULE 17 : ADMINISTRATIVE EXPENSES		
Travelling & Conveyance	16,61,962	16,53,881
Directors' Travelling (Incl. Foreign Travel)	23,09,582	15,09,454
Printing and Stationery	9,14,321	6,62,318
Directors' Remuneration	1,09,70,630	91,02,173
Vehicle Maintenance	12,04,046	10,16,646
Rent	14,09,084	6,76,538
Rates & Taxes	10,58,483	13,57,580
Communication Expenses	21,83,881	17,13,166
Auditors' Remuneration		
Audit Fees	60,000	60,000
Tax & Vat Audit Fees	30,000	40,000
Management Services	10,000	50,000
Subscription and Memberships	2,25,872	2,10,555
Insurance Expenses	54,51,393	38,04,577
Meeting & Training expenses	1,84,743	8,65,331
Miscellaneous Expenses	6,39,898	5,55,975
Donation	5,23,000	5,12,201
Legal & Professional Expenses	25,60,591	16,51,412
Repairs and Maintenance (Building)	12,09,153	11,03,205
Sundry Repairs	12,79,633	9,79,788
Directors' Sitting Fees	82,000	52,500
Bank Charges	46,88,824	44,29,276
Foreign Exchange fluctuation	(7,19,983)	12,10,840
Right issue Expenses written off	1,44,529	1,44,529
Loss on Investment in shares	6,40,658	—
Loss of stock on fire	28,967	—
Wealth tax	13,820	17,289
	<u>3,87,65,087</u>	<u>3,33,79,234</u>
SCHEDULE 18 : SELLING EXPENSES		
Advertisement	5,67,249	4,85,793
Sales Promotion	15,13,435	5,89,359
Carriage Outward (Incl. Sea Freight)	6,50,55,359	4,44,91,970
Commission on Sales	12,11,141	18,89,689
Loading & Unloading	17,48,696	14,73,366
Rejection & Shortage on Sales	26,00,033	17,38,952
Bad Debts	2,82,434	10,33,502
	<u>7,29,78,347</u>	<u>5,17,02,631</u>
SCHEDULE 19 : FINANCIAL EXPENSES		
Interest to Bank & others	3,20,61,460	2,45,71,350
Interest on Deposits	37,24,104	27,91,609
	<u>3,57,85,564</u>	<u>2,73,62,959</u>

SCHEDULE 20 : NOTES TO ACCOUNTS

Annexure to and forming part of the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date :

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**SIGNIFICANT ACCOUNTING POLICIES**

The accounts are prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India. The significant accounting policies are as follows :

1. Fixed Assets :

Fixed Assets are valued at cost.

2. Depreciation :

Depreciation has been provided on straight line method on building, plant & machinery, electric installations and on written down value method on other assets, as per Schedule XIV of the Companies Act, 1956. Further, depreciation on assets, whose actual cost does not exceed ₹ 5,000/- has been provided @ 100%. Further, Leasehold Land is being amortized taking into account the residual life of lease.

3. Impairment of Assets :

Consideration is given at each balance sheet date to determine whether there is any modification or impairment of the carrying amount of the fixed assets. If any condition exists, an asset's recoverable amount is estimated. An impairment loss is recognized, whenever the carrying amount of any asset exceeds recoverable amount.

4. Valuation of Inventory :

The raw materials, stores and spares and goods-in-process are valued at cost net of Cenvat credit, and finished goods are valued at cost or net realizable value, whichever is lower. The cost is computed on FIFO basis and comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

5. Research & Development :

The Company does not have separate research & development department. The Company has not made any specific expenditure on this head.

6. Foreign Currency Transactions :

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

7. Contingent Liabilities :

Contingent Liabilities as shown in the notes to accounts, may affect the future profitability to the extent it materialises for payment.

8. Investments :

All investments are valued at cost price.

9. Recognition of Income / Expenditure :

All revenues / income are accounted for on accrual basis.

10. Borrowing Cost :

Borrowing cost directly attributable to the acquisition, construction or production of a fixed assets has been capitalized as part of the cost of that asset. Funds borrowed generally and used for the purpose of obtaining of fixed assets, the amount of borrowing cost eligible for capitalization has been determined by applying capitalization ratio to the total cost incurred on fixed assets.

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NOTES TO ACCOUNTS

	2010-11	Increase/ (Decrease) during the year	(₹ in Lacs) 2009-10
1. Contingent Liabilities in respect of :			
a) Counter Guarantees given to Bank for issue of performance guarantees by Bank	658.48	401.48	257.00
b) Foreign bills discounted by the bank under Letter of Credit	163.57	133.25	30.32
c) Legal Undertakings submitted to Customs & DGFT under Duty Exemption Scheme for import of raw materials against which all exports have been completed and Advance Licences are under redemption.	4448.11	796.17	3651.94
d) Labour cases pending with Labour Courts/High Court.	2.50	0.60	1.90
2. Remuneration to Whole-time Directors :			(₹ in Lacs)
a) Salaries	80.82	8.97	71.85
b) Contribution to P.F.	8.47	0.85	7.62
c) Value of perquisites	20.42	8.87	11.55
	<u>109.71</u>	<u>18.69</u>	<u>91.02</u>
3. In respect of the Company's claim with Central Excise authorities regarding wrong classification of product, which was partially settled and the Company was allowed consequential relief in November, 1998, the appeal of the Department against the same was rejected by the CEGAT and contention of the Company was accepted. The Departmental reference filed with Hon'ble Allahabad High Court is still pending.			
4. Regarding Income Tax matters :-			
a. For Assessment Years 1995-96 to 1997-98, the department reopened the cases and made Arbitrary additions in respective years. The Company went into Appeal in all the cases and they were decided at Income Tax Appellate Tribunal, Lucknow in favour of the Company. Department granted refund and simultaneously has filed appeals with Hon'ble High Court, Allahabad in respective cases, which have not yet been admitted for any of the Assessment years.			
b. For the assessment years 2001-02, a demand of ₹ 39,40,390/- was raised which was fully adjusted with brought forward losses. On certain counts, the Company went into appeal with ITAT and partially favourable orders were made by the Tribunal. After giving effect to the orders of Tribunal, refund was granted by the Assessing Officer. Simultaneously, the Company has appealed with Hon'ble Allahabad High Court, Lucknow Bench, which has been admitted and is pending for disposal.			
c. For Assessment Years 2002-03, 2003-04 & 2004-05, where the cases were re-opened and for the regular assessment of Assessment Year 2008-09, certain arbitrary additions were made. The Company has gone for appeal in all the cases with CIT Appeals, Kanpur and the same are pending.			
d. For Assessment Year 2005-06 to 2007-08, arbitrary additions were made and demands were raised. On appeal, all the cases were decided partly in favour of the Company. After giving effect of the orders of ITAT, the Department has filed appeals in all the cases with Allahabad High Court and the same are pending.			
e. For Assessment Year 2009-10, assessment has been completed and the demand raised has been paid.			
f. Penalty proceeding regarding Assessment Years 2002-03 to 2004-05 and 2008-09 are pending for disposal, as the respective appeals are pending at CIT Appeals.			
In view of above facts, the Management feels that there shall not be any additional financial liabilities on the Company in all the above cases.			
5. The previous year's figures have been regrouped / recasted, wherever necessary to make them comparable with those of the current year. Figures in bracket indicate previous year's figures.			
6. The provision for gratuity has been calculated in accordance with the provisions of the Payment of Gratuity Act, 1972. The provision has been made only for those employees, who have completed five years of service with the company. 1/5th provision relating to enhanced liability consequent to the increase in maximum limit of gratuity from earlier ₹ 3.50 lacs to ₹ 10.00 lacs has been made. Balance provision shall be made in next four years.			
7. The amount of foreign exchange fluctuation amounting to ₹ 7.20 lacs (credit) (Last year debit ₹ 12.11 lacs) has been included in Administrative Expenses).			

8. Sundry Creditors includes ₹ nil (previous year ₹ 2.20 lacs) due to Small Scale Industrial Undertakings and ₹ 665.14 Lacs (previous year ₹ 394.13 lacs) due to other creditors. The disclosure is based on the information available with the Company regarding the status of the suppliers. There are no sundry creditors, whose dues are outstanding for more than 30 days and exceeding ₹ 1.00 lac.
9. Excise duty includes excise rebate on export sales amounting to ₹ 53.86 Lacs (Previous Year ₹ 16.72 lacs).
10. The Assets and liabilities as mentioned in the Balance Sheet includes the following amount as related to Consignment Stockist Division of the Company :

31.03.2011 (in ₹)

i. Receivables	1,27,06,030
ii. Cash & Bank Balances	21,78,826
iii. Loans & Advances	8,18,775
iv. Reserves & Surplus	4,04,934
v. Current Liabilities	7,95,047

11. The Company has been appointed as DCA cum CS by Indian Oil Corporation Ltd for polymer marketing.
12. 1/5th Provision (4th instalment) for Leave encashment has been made.
13. Intangible assets as per Accounting Standard – 26 include computer software depreciated @ 40%. The gross value and accumulated depreciation thereon are ₹ 6.44 lacs and ₹ 5.14 lacs respectively.
14. A sum of ₹ 5.79 lacs on account of losses in foreign exchange transactions made for export sales has been debited to sales account and thus the overall sales have been decreased by that amount.
15. As against outstanding Foreign Currency Term Loan of USD 820410 taken for fixed assets, there is a negative exchange difference of ₹ 3.53 lacs as on 31st March, 2011 resulting into increase in the term liability of the company by the similar amount.
- The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2011 relating to Accounting Standards 11 (AS-11) notified by Government of India on 11th May, 2011. Accordingly, the effect of exchange differences on foreign currency loans of the company is accounted by transfer to 'Foreign Currency Monetary Items Translation Difference Account' to be amortised over the balance period of the long term monetary items or period upto 31st March, 2012, whichever is earlier.
16. Further, the Company has taken a Foreign Currency Demand Loan of USD 400000 against working capital limits, which is fully hedged and accordingly, there shall be an additional liability of ₹ 2.94 lacs at the time of payment of said loan in August, 2011 on account of hedging cost.
17. The Company is registered as a 'Technical Textile Unit' by Ministry of Textiles vide registration no 19101004. Consequently, interest reimbursement and capital subsidy is being availed.
18. The Company makes regular contribution for Employees' Provident Fund and Employees' State Insurance and these are charged to revenue. The liability of the Company for Gratuity and Leave Wages are estimated at each year end and liability accordingly is provided in the books of the Company.

19. Deferred Tax :

In accordance with Accounting Standard-22 (AS-22) on Accounting for Taxes on Income as issued by The Institute of Chartered Accountants of India, the Company has provided for deferred tax liability resulting from timing differences between book and taxable profit using the rates and the laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable / virtual certainty that the asset will be realised in future. The details are given hereunder:

Nature of Timing Difference	Deferred Tax Asset/(Liability) As on 01.04.2010	Current year (Charges)/Credit	Deferred Tax Asset/(Liability) as on 31.03.2011
	₹	₹	₹
Depreciation	(2,72,94,814)	(98,92,043)	(3,71,86,857)
Disallowances u/s 43B	69,58,639	14,42,865	84,01,504
	<u>(2,03,36,175)</u>	<u>(84,49,178)</u>	<u>(2,87,85,353)</u>

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20. Earning per Share :

Net Profit after Tax ₹ 302.56 Lacs (Previous Year ₹ 254.01 lacs) (as per Profit/Loss account)	
Weighted Average number of fully Paid up Equity Shares of ₹ 10/- Each	53,06,250 Equity shares (Previous Year 53,06,250 Equity Shares)
Earning per Share	₹ 5.70 (Previous Year ₹ 4.79)

21. Licenced & Installed Capacity, Production & Sales :

	Unit	Licenced	Installed	Production	Sales
Fabric & Sacks	MT	Not Applicable	13,000* (10,000)	9963.70** (9491.8)	9714*** (9024)

* The capacity is for producing unlaminated fabric.

** Includes LDPE & others for finished goods.

*** It does not include High Seas Sales/Trades Goods 417.50 MT (Previous year 668 MT)

Sales & Production does not include Packing Fabric for use of Finished Goods 75 MT (Previous year 47 MT).

22. (a) Opening Stock of GIP & Finished Goods :

	As at 01.04.2010	As at 01.04.2009
i) Plastic products Qty. (MT)	1206.80	739.00
Value (₹ in lacs)	989.81	546.01
ii) Others (₹ in Lacs)	11.60	5.25

(b) Closing Stock of GIP & Finished Goods :

	As at 31.3.2011	As at 31.3.2010
i) Plastic products Qty. (MT)	1456.50	1206.80
Value (₹ in Lacs)	1380.15	989.81
ii) Others (₹ in Lacs)	12.29	11.60

23. Raw Material Consumed :

	Unit	2010-11 Qty.	₹ in Lacs	2009-10 Qty.	₹ in Lacs
Plastic Granules*	MT	11461.25	7473.83	11136.00	6679.48
Others		182.40	265.34	202.00	139.03
		11643.65	7739.17	11338.00	6818.51

*Includes Traded Goods 417.950 MT (Last year 668 MT) ₹ 257.70 Lacs (Last year ₹ 395.42 Lacs)

24. Value of Imported & Indigenous Raw Materials, Stores & Spares consumed :

	2010-11 Value ₹ in Lacs	% of Total Consumption	2009-10 Value ₹ in Lacs	% of Total Consumption
a) Stores & Spares – Imported	10.04	5.22	2.14	1.40
– Indigenous	182.17	94.78	150.19	98.60
	192.21	100.00	152.33	100.00
b) Raw Materials – Imported*	3621.13	46.79	2932.23	43.00
– Indigenous**	4118.04	53.21	3886.28	57.00
	7739.17	100.00	6818.51	100.00

* Includes Traded Goods worth ₹ 257.70 Lacs (Last year ₹ 395.42 Lacs).

** Includes material purchased under Advance Authorization Scheme.

25. Value of Imports on CIF Basis :

	2010-11 ₹ in Lacs	2009-10 ₹ in Lacs
a) Raw Material	3592.14	2832.15
b) Stores & Spares	18.04	1.78

26. Expenditure in Foreign Currency on :

a) Travel	6.76	5.85
b) Plant & Machinery and Others	612.85	161.02

27. Earnings in Foreign Currency on FOB basis :

Export of Goods	8737.45	6512.67
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28. Related Party Disclosures :

The Company's related party transactions during the year and outstanding balances as on 31.03.2011 are as under :

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

Details of Transactions

Nature	Associate Companies	Key Management Personnel & their relatives
Remuneration	—	115.60
Interest on Deposits	7.19	27.16
Outstanding Deposits	75.00	147.00
Rent paid	10.20	1.20
Rent received	0.36	—

29. Segment Information :
A. Information about Primary Segments :

Particulars	Manufacturing Operations	Consignment Stockist Operations	Total
1. Segment Revenue	12096.64	34.25	12130.90
Less : Inter Segment Revenue	—	—	—
Net Sales/Income from Operations	12096.64	34.25	12130.90
2. Segment Results (Profit Before Tax and Interest)	860.39	4.05	864.44
Less : Unallocated Interest & Finance Charges	—	—	357.86
Add : Other Unallocable income Net of unallocable expenditure	—	—	—
Total Profit before tax	—	—	506.58
3. Capital Employed (Segment Assets - Segment Liabilities)	—	—	2521.69

B. Information about Secondary Segments :

1. Revenue from Geographical Markets	
India	3040.84
Overseas	9090.06
Total	12130.90

Note : The Company has common fixed assets for producing goods for Domestic market and Export market. Hence separate figures for capital employed are not possible to be furnished.

30. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
Balance Sheet Abstract and Company's General Business Profile
I Registration Details :

Registration No.	20-03444
State Code	20
Balance Sheet Date	31 st March, 2011

II Capital raised during the year :

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	200

III Position of Mobilisation and Deployment of Funds (₹ in Lacs) :

Total Liabilities	7770.28	Total Assets	7770.28
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Sources of Funds

Paid up Capital	730.62
Reserves & Surplus	1503.22
Deferred Tax Liability	287.86
Secured Loans	4988.08
Unsecured Loans	260.50

Application of Funds

Net Fixed Assets	3961.45
Capital WIP	66.26
Net Current Assets	3727.37
Investment	0.75
Miscellaneous Exp.	14.45
(Not Written Off)	

IV Performance of the Company :
(₹ in lacs)

Turnover (including other Income)	12130.90
Total Expenditure	11624.32
Profit before Tax	506.58
Profit after Tax	302.56
Earning Per Share (₹)	5.70
Dividend Rate	10%

V Generic Names of Three Principal products of the Company (As per monetary terms) :

Item Code No. (I.T.C. Code)	(39269099)
Product Description	Woven Fabric of Ethylene (Laminated/Coated)
Item Code No. (I.T.C. Code)	(39232100)
Product Description	Sacks & Bags of Ethylene (Laminated/Coated and/or printed)
Item Code No.(I.T.C. Code)	(39232990)
Product Description	Sacks & Bags of polypropylene (Laminated/Coated and /or Printed)
Item Code No.(I.T.C. Code)	(63053200)
Product Description	Flexible Intermediate Bulk Containers (FIBCs)
Item Code No.(I.T.C. Code)	(54024800)
Product Description	Polypropylene Multifilament Yarn

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

(Pursuant to Clause 32 of the Listing Agreement with the Stock Exchange)

	For the year ended 31 st March, 2011 ₹ in Lacs	For the year ended 31 st March, 2010 ₹ in Lacs
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items but after earlier year adjustments	492.75	389.32
Adjustments for :		
Depreciation	180.70	154.81
Miscellaneous Expenditure	1.45	1.44
Investments	—	—
Interest	357.86	273.63
Operating Profit before working capital changes	1032.76	819.20
Adjustments for :		
Trade and Other Receivables	–271.35	–37.72
Inventories	–794.43	–511.16
Trade Payables	100.01	102.07
Cash Generated from operations	66.99	372.39
Income Tax (excluding Deferred Tax)	–119.53	–112.03
Cash Flow before extraordinary items	–52.54	260.36
Extraordinary Items		
Net Cash from Operating Activities	–52.54	260.36
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	–1464.14	–295.31
Capital Work-in-progress	–23.03	–43.23
Sale of / Capital Subsidy on Fixed Assets	63.69	4.19
Acquisition of Companies	—	—
Purchase of Investments	—	—
Sale of Investments	27.87	—
Interest Received	14.47	7.66
Dividend Received	0.15	0.13
Net Cash used in Investing Activities	–1380.99	–326.56

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	For the year ended 31 st March, 2011 ₹ in Lacs	For the year ended 31 st March, 2010 ₹ in Lacs
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Share Capital	200.00	—
Proceeds from Long Term Borrowings	—	—
a) Secured (Bank / Institutions)		
For Working Capital	939.66	315.46
For Fixed Assets	800.30	20.10
b) Unsecured	—5.88	51.15
Interest Paid	—357.86	—273.63
Dividend Paid / Proposed (including Dividend Tax)	—70.97	—61.87
Net Cash used in Financing Activities	1505.25	51.21
NET INCREASE IN CASH AND CASH EQUIVALENTS	71.72	—14.99
Cash and Cash Equivalents as at 31.03.2010 (Opening Balance)	75.82	90.81
Cash and Cash Equivalents as at 31.03.2011 (Closing Balance)	147.54	75.82

As per our report of even date attached

For PANDEY & CO.

Chartered Accountants

AMIT PANDEY

Partner

Membership No. 402377

Firm Reg. No. 000357C

KANPUR

Dated : 30th July, 2011

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

M. S. AGARWAL, *Executive Chairman*

MANOJ AGARWAL, *Managing Director*

P. K. GOENKA, *Director*

AUDITORS' CERTIFICATE

The Board of Directors,
Kanpur Plastipack Limited,
D-19-20, Panki Industrial Area,
KANPUR-208 022.

We have examined the attached Cash Flow Statement of Kanpur Plastipack Limited for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on an agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 30th July, 2011 to the Members of the Company.

For PANDEY & CO.
Chartered Accountants
AMIT PANDEY

Partner

Membership No. 402377

Firm Reg. No. 000357C

Kanpur

Dated : 30th July, 2011

KANPUR PLASTIPACK LIMITED

ATTENDANCE SLIP*Regd. Office :*

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

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 40th Annual General Meeting of the Company at 1:00 P.M. held on Tuesday, the 27th day of September, 2011

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

.....(TEAR HERE).....

FORM OF PROXY**KANPUR PLASTIPACK LIMITED***Regd. Office :*

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

I/We.....
of.....being a member/members of KANPUR PLASTIPACK LIMITED
hereby appoint.....
of.....or failing him.....
of.....as my/our proxy to attend and vote for me/us and on my/our behalf at
the 40th Annual General Meeting of the Company to be held on Tuesday, the 27th day of September, 2011 at 1:00 P.M. and
at any adjournment thereof.

Signed this.....day of.....2011

Signed by the said.....

Please
affix
₹ 1/-
Revenue
Stamp

DP ID	Folio No.
Client ID	No. of Shares held :

Note : The form of proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

.....(TEAR HERE).....

FEED BACK FORM

Registration / Updation of E-maid id :-

Name of the Shareholder	Folio Number	Updated Email ID

Signature of the Shareholder

KANPUR PLASTIPACK LIMITED

