



**FUELLED BY
SUSTAINABILITY**

**DRIVEN BY
EXCELLENCE**



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www.kanplas.com

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Our certification





FUELLED BY SUSTAINABILITY. DRIVEN BY EXCELLENCE.

In today's times, real excellence is as defined by numbers as it is by the impact you leave on the world around you. Hence at Kanpur Plastipack, we are as driven by great performances in terms of numbers and results, as we are by the task of maintaining sustainability in our manufacturing, product quality and the value it creates for the people around us. By being the best at what we do, and allowing environmental consciousness to be a part of our business strategy, we are truly excelling further – in business and life!

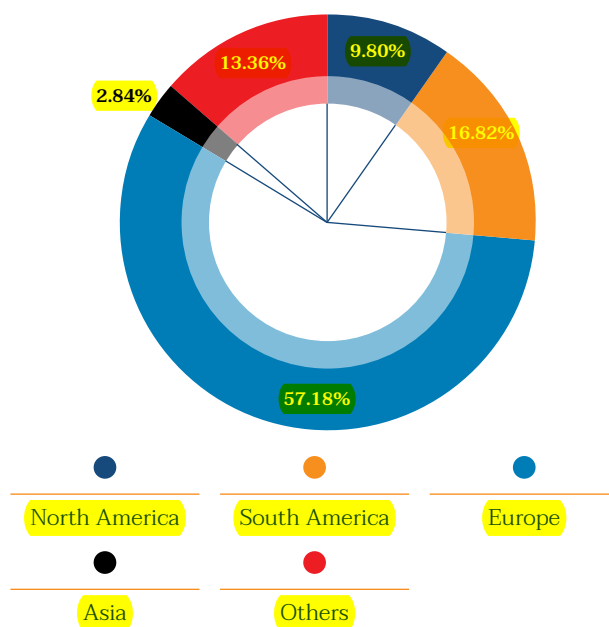
KANPUR PLASTIPACK LIMITED AT A GLANCE

We are a fully integrated Company providing end-to-end industrial bulk packaging solutions globally.

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



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



Key Highlights

163.55

Market Capitalization as on
31st March 2018 (₹ in Crore)

First

Roof top captive solar power energy
installed for a manufacturing unit in
Uttar Pradesh, India.

71.56

Promoters shareholding as on
31st March 2018 (in %)

Certification

BRC and ISO 22000 certified facilities for
manufacturing Food Grade and Clean Room bags

1971

Started
manufacturing
Raffia Flat
Tapes and
Woven Sacks

1999

Started
manufacturing
FIBC and Bulk
Bags

2011

Started
manufacturing
Multi Filament
Yarn

2018

Commissioned
new Greenfield
project-Unit 3



MESSAGE FROM THE MANAGEMENT



The legacy of more than 47 years and manufacturing FIBCs for more than 18 years have helped us retain the trust of our customers.



Q How would you summarise the year that went by for India and the Company?

Our country witnessed the historic tax reform with implementation of Goods and Service Tax (GST) in fiscal 2017-18. With the lingering effects of demonetization still persisting, the GST roll out did bring some initial hiccups, as the government took several steps to ease out the operational glitches during the course of the year. The exporting community faced serious difficulties with implementation of GST, with blocked working capital leading to higher interest cost. Mapping of the information technology infrastructure took considerable time even at the end-user end. We are glad to see much of the pain behind us, giving us the confidence of reaping the advantages which will come out of the historic tax

reform. The country remains one of the fastest growing economies of the world, accounting for about 15% of the global growth, with implementation of reforms and liberalization of the foreign investment regime.

These reforms did have a positive impact for Kanpur Plastipack, accounting for better governance, increased compliances and higher growth. This transcended into higher revenues, as we enhanced our operational efficiencies and increased our productivity level from existing capacities. Our implementation of a dedicated sales engine helped record more value-added revenues and retain majority of our existing customers in addition to helping us penetrate new customers. Our strong liquidity position helped us avert the initial challenges of GST implementation for export refunds and manage our operations smoothly.

Q Could you explain in detail the factors that helped record growth for the Company in the current year?

Our brand value has remained an integral part of our success story over the years, and continues to be remain so even today. The legacy of more than 47 years and manufacturing FIBCs for more than 18 years have helped us retain the trust of our customers. At the operational level we did see an increase in selling expenses and manufacturing costs, driven by rising raw material prices, manpower costs and higher freight costs. However, we overcame these with better utilization of resources (primarily Polymer) which helped us to increase our yield ratio. We also implemented several operational excellence programmes that enabled us to control our costs. Our customer satisfaction levels improved further at the backdrop of improved quality levels and better on-time deliveries. The combination of these initiatives helped us sustain our margin levels amidst volatile macro-economic environment.

Q Could you please enlighten the investors on the rationale for the capex made by the company in recent past? And, if any more capex is lined up in the near future.

Yes definitely. The greenfield project that we had started in the previous fiscal is now under final implementation in a phased manner. The formal inauguration took place on the 20th of July 2018. The new facility when fully operational is positioned to offer more than 8000 tonnes of processed Polymer for onward conversion into FIBCs. The state-of-the-art facility is spread over a factory space of nearly 40,000 sq. mts is equipped with

modern machinery. This will also allow us to shift some production from the older facilities yielding higher efficiencies and better margins.

In the current year, we have also planned further investments to double up our Multi Filament Yarn (MFY) capacity over the next 18 months. This would make us the largest player in North India in the segment. As a part of our deliberate plan to diversify our business, this additional capacity in High Tenacity MFY would add to our business revenues and yield more earnings per worker employed. Considering the increasing demand in the packaging industry, growing at double digits, and increasing application of MFY in several downstream industries, we believe therein lies a huge opportunity for us to tap, which also aligns to our business model and drive value-creation for stakeholders.

Q With such aggressive expansion lined up, do you see any challenges that might affect the future plans?

The increasing regulatory mechanism in the banking and financial sector coupled with a rise in bad loans, might pose a threat to raising funds in the near future. Also, the modernization in technologies poses risk of employability for skilled worker for non-technical jobs. At Kanpur, we are well positioned to avert these challenges. One, we remain financially stable with a strong operating cash flow (₹ 28.35 crore as on March 31, 2018) and low debt-equity ratio of 0.33 as on March 31, 2018. Two, our plant locations at the heart of north India, provides us with abundant availability of workforce, thereby de-risking us from any possible labour shortages in the near future. Third, our resilient focus on quality, on-time deliveries, customization and flexibility has enabled us to remain ahead of the peers and cement our market leadership.

Q Where do you see the Company in the near short-term?

We are extremely optimistic and excited for the next phase of the Company's growth. The past and proposed investments are well aligned to the company's business model, and deliver value for the stakeholders. As per internal projections made by us revenues are likely to touch ₹ 450 crore over the next two financial years, on similar EBITDA margin levels. The financial sustainability will be built on the foundation of our strong customer relationships. Going ahead, we have laid out a blueprint to further strengthen our customer engagement methodologies, to derive a larger part of revenues from existing customers. We shall also continue to build a stronger employee base with a higher employee engagement quotient in our journey towards excellence.

Q What message would you like to give to the investors?

Your Company now stands at a threshold of opportunities at the backdrop of rising industry growth. The rising cost of manufacturing hubs in countries like Turkey, China and South America augur well for your company. Our commitment towards building an effective cost mechanism with relentless pursuit towards quality will help us gain a strong foothold in newer markets. We thank our stakeholders, for their unwavering support and helping the Company transcend to greater scales of success.

Regards

Mr. Manoj Agarwal
Managing Director

Mr. Shashank Agarwal
Dy. Managing Director

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

We aim to drive profitable growth through innovation and development of products which create value for our customers. We employ various capital inputs in order to execute our business processes and aim to transform these capital inputs into value outcomes and have the most beneficial impact possible.



Human Capital

We employ skilled and talented employees from diverse educational backgrounds. We aim to provide our employees with safe and a friendly working environment. We provide our employees with various training and development activities and reward them in an unbiased manner.



Social and Relationship Capital

We engage with various stakeholders to ensure uninterrupted business operations. We generate value for our stakeholders including employees, customers, suppliers, government, society, and investors.



Natural Capital

We believe that the world is an interconnected system of resources. We aim to reduce the impact of our activities on the environment while developing innovative solutions that helps us to deliver results in a sustainable manner.



Financial Capital

Our investors provide us with funds to be used in the business and improve our financial performance as well as financial position. We aim to constantly grow our business and continuously generate returns for our stakeholders.



Intellectual Capital

We manufacture and supply high-quality products to our customers while having a long term collaboration with our suppliers. We have always focused on innovating our products while diversifying our product portfolio.



Manufacturing Capital

We have installed some of the latest and best machines in our manufacturing plants. In order to improve our production process we have invested towards modernizing our equipments.

Capital Inputs



People



- ▶ Employees
- ▶ Training and Development
- ▶ Performance Appraisal

Planet



- ▶ Raw Materials
- ▶ Energy
- ▶ Infrastructure

Profit



- ▶ Shareholder's Equity
- ▶ Borrowings
- ▶ Business Partners

Business Process



Sales



Manufacturing



Research and Development



Procurement of Raw Materials

Value Outcomes



People



- ▶ Engaged Workforce
- ▶ Employee benefits
- ▶ Safety and Health
- ▶ Skills and Employability

Planet



- ▶ Use of renewable sources of energy for generating power
- ▶ Offering products that are recyclable
- ▶ Safe ingredients and materials

Profit



- ▶ Financial Performance and continuous dividend payment
- ▶ Ensuring customer satisfaction
- ▶ Contribution to exchequer

Impact



More competent, motivated and efficient employees that will help us to improve our process and operational efficiency

Sustainable use of natural resources and manufacturing of products that contributes towards a safer environment

Providing our stakeholders with sustainable returns while positively contributing towards growth of the economy

FINANCIAL REVIEW

Revenue

(₹ in Crore)

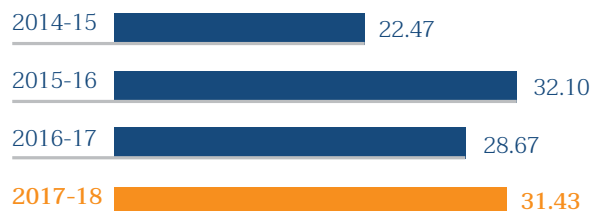


3.63% ▲

4-year CAGR Growth

EBITDA

(₹ in Crore)

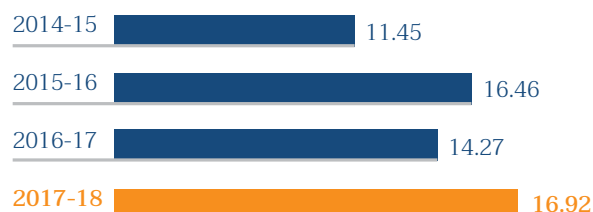


9.63% ▲

Y-o-Y growth

PAT

(₹ in Crore)

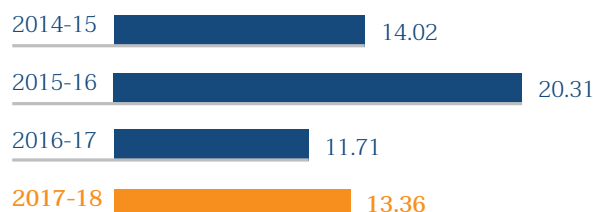


10.26% ▲

4-year CAGR growth

Basic EPS

(₹ per share)

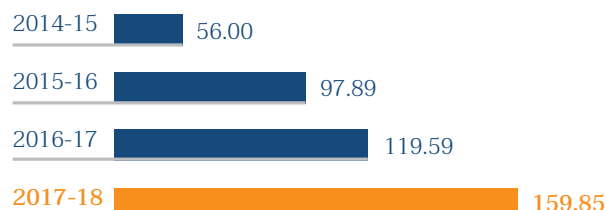


14.09% ▲

Y-o-Y growth

Enterprise Value

(₹ in Crore)

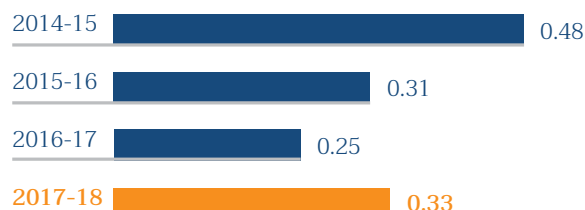


5.48x

EV/EBITDA in FY18

Debt-Equity Ratio

(in times)



27.85% ▲

Y-o-Y growth in Net Worth

Current Ratio

(in times)

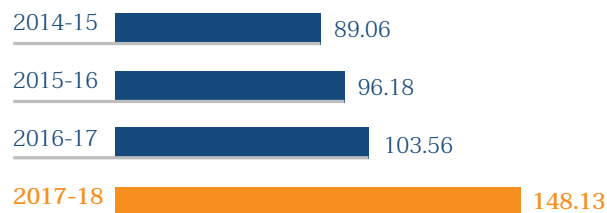


110.59 ▲

Total Current Assets as on
31st March 2018 (₹ in Crore)

Gross Block

(₹ in Crore)

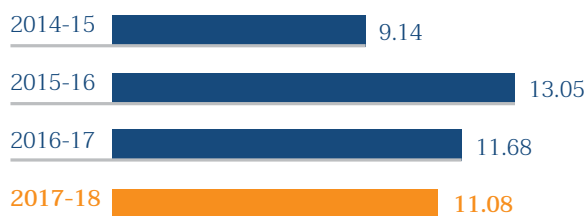


13.56% ▲

4-year CAGR growth

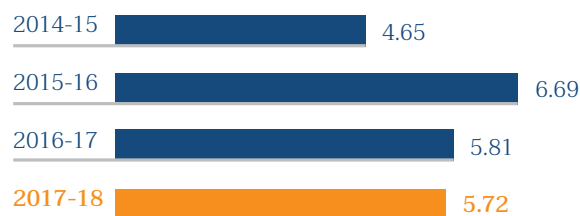
EBITDA Margin

(in %)

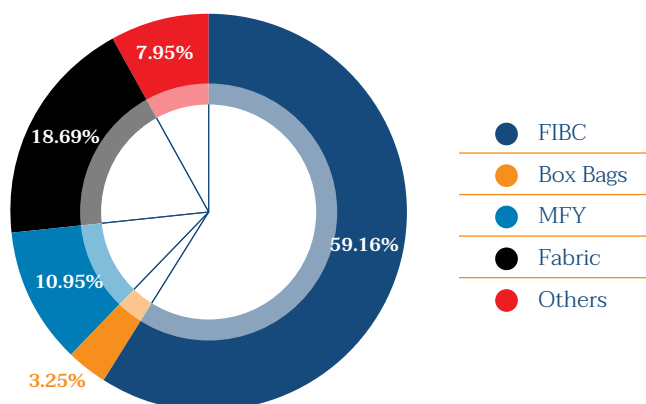


PAT Margin

(in %)



Product Wise Revenue Breakup



OUR PRODUCTS

Flexible Intermediate Bulk Containers (FIBC)

Over the years we have developed our technology and process to successfully manufacture a wide range of FIBC bags. FIBC bags are strong and flexible, and are designed in a way that allows easy recycling when its economic life is over. We offer these bags in various dimensions along with a diverse range of filling, discharging and lifting facilities. Some of the FIBC bags manufactured by us includes Sulzer Fabric bags, Regular Jumbo bags, Glued liner bags, Dust Proof bags, Baffle bags and Tunnel Lift Loop bags amongst others.

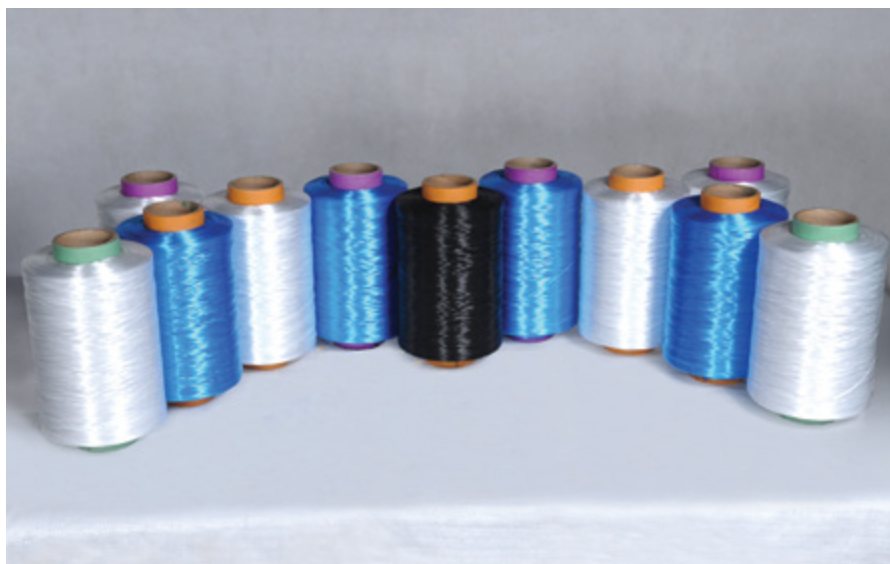


Applications

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

Multi Filament Yarn (MFY)

At Kanpur Plastipack, we offer a wide range of High Tenacity Multi Filament Yarn which are used by various industries. This yarn is made from Polypropylene (PP) on imported extrusion lines and are available in various bright and attractive colors. It has widespread uses in textiles and stitching.



Applications

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

OUR CAPABILITIES

Manufacturing

We are a fully integrated and well equipped Company with all the necessary infrastructure installed in our facilities which helps us manufacture one of the best FIBCs, Fabrics, High Tenacity PP Multi Filament Yarns and other allied products. Our facilities have been developed to cater to global standards of quality and manufacture certified food grade bags from a separate clean room, where we ensure our products are free from debris, contamination and impurities. Two of the Multi Filament lines have been imported from SML, Austria providing the best possible technology for this product.



Administration

New administrative block was created during the year to improve the working environment of the executive team and facilitate the increase staff deployment in view of the on-going expansion plans of the Company.



Capacity

(as on 31st March 2018)

14500

FIBC & Woven Sacks (in MT)

Production

(as on 31st March 2018)

13440

FIBC & Woven Sacks (in MT)

3350

Multi Filament Yarn (in MT)

3281

Multi Filament Yarn (in MT)



Future Plans

We are in the process to expand our capacity to add **8,400** tonnes of FIBC and Fabric which is expected to be completed and commercialized by FY20.

BOARD OF DIRECTORS



Board of Directors from left to right

- 1 Shri Prem Singh Khamesra
- 2 Shri Akshay Kumar Gupta
- 3 Dr. Ram Gopal Bagla
- 4 Shri Manoj Agarwal
- 5 Shri Mahesh Swarup Agarwal
- 6 Smt. Usha Agarwal
- 7 Shri Shashank Agarwal
- 8 Shri Sunil Mehta
- 9 Shri Subodh Kumar
- 10 Shri Sobhagya Mal Jain

Shri Prem Singh Khamesra

Independent Director

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

Shri Akshay Kumar Gupta

Independent Director

He is a Practicing Chartered Accountant with over 35 years of experience as the founder partner of Mittal Gupta & Company. He has been professionally active in the Institute of Chartered

Accountants of India as a Member of its Central Council contributing as a Chairman and Member of a number of its Committees. A Past President of the Kanpur Chartered Accountants Society, Member Fiscal Law Committee of Merchants Chambers of Uttar Pradesh, Member of Funds Management Committee of IIT, Kanpur are only some of his credentials. He has a number of technical articles and publications to his credit.

Dr. Ram Gopal Bagla

Independent Director

He is a Mechanical Engineer (Honors) from Bombay University. He retired as the Group Executive President of the JK Cement Group and was also the Chief Executive Officer of JK Rayon. He is a past President of the Merchants Chamber

of UP, Kanpur Management Association and Kanpur Productivity Council. He is also actively associated with a number of professional and social bodies.

Shri Manoj Agarwal

Managing Director

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

Shri Mahesh Swarup Agarwal

Chairman Emeritus

Mahesh Swarup Agarwal is the founder of the Company, successfully guiding its operations for the past 47 years. His able leadership and foresight has helped the Company to sustain its growth over the years. He was the President of Merchants Chamber of Uttar Pradesh in 2004-05 and was awarded the 'President's Salute' by the Rotary International President for his outstanding contribution to community service, in 1991. He was also Founder President of Plastic Woven Sacks Manufacturers Association from 1986 to 1988 and also President of Panki Industry Association from 1976 to 1986. He has been honored with the prestigious 'Lifetime Achievement Award' from AIFTMA and TiE UP.

Smt. Usha Agarwal

Non-Executive Director

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

Shri Shashank Agarwal

Deputy Managing Director

He holds degree in B. Engg. (Hons.) (Manufacturing Engineering & Operation Management) from the University of Nottingham, UK and has been instrumental in streamlining the Company's operations with backward integration and product diversification. He has brought about various improvements in the production and marketing strategies of the Company leading to a considerable improvement in the Company's performance. Today, he has his vision set higher to evolve the enterprise into one of the world's top FIBC producers.

Shri Sunil Mehta

Executive Director

He is a B.Tech (Textile Technology) from TIT, Bhiwani and has over 30 years of experience in the woven sacks industry. He joined the Company in the year 2002 as Vice President. Since then, with his dedicated and able leadership, the manufacturing operations of the Company have grown to multiple locations. He has been instrumental in improving the performance of the Company to world class levels.

Shri Subodh Kumar

Independent Director

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

Shri Sobhagya Mal Jain

Independent Director

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

DOING BUSINESS IN A RESPONSIBLE MANNER

During the year the Company has focused on the activities relating to promoting Healthcare, Training and Skill Development and Sanitation programmes in addition to other activities under Corporate Social Activities ambit.

The activity of healthcare is being conducted through a Medical Clinic situated at Village Nauraiya Kheda, Panki Industrial Area, Kanpur and medical camps for the welfare of the underprivileged. The Training and Skill Development Activity is being undertaken through KPL Training and Skill Development Center established by the Company.

During the year a total of 223 trainees got training from KPL Training and Skill Development Centre.



Training and Skill Development activity under CSR

223

Trainees got training from KPL Training and Skill Development Centre

506

Number of patients treated at medical camp

11000

Number of patients treated at medical clinic



Medical Clinic under CSR

CORPORATE INFORMATION

Board of Directors

Chairman Emeritus

Mahesh Swarup Agarwal

Managing Director

Manoj Agarwal

Whole Time Directors

Sunil Mehta

Shashank Agarwal

Non Executive Director

Usha Agarwal

Independent Directors

Soubhagya Mal Jain

Prem S. Khamesra

Subodh Kumar

Ram Gopal Bagla

Akshay Kumar Gupta

Company Secretary & Compliance Officer

Ankur Srivastava

CFO

Arvind Gunjan

Statutory Auditors

Rajiv Mehrotra & Associates

Chartered Accountants

Kanpur

Secretarial Auditors

Adesh Tandon & Associates

Company Secretaries

Kanpur

Bankers

State Bank of India

HDFC Bank

Registrar and Share Transfer Agent

Skyline Financial Services Pvt. Ltd.

D-153/A, 1st Floor,

Okhla Industrial Area, Phase -I,

New Delhi-110 020

Registered Office

D-19-20, Panki Industrial Area,

Kanpur-208 022

Manufacturing Units

1. D-19-20, Panki Industrial Area, Kanpur-208 022
2. A-1, A-2, Udyog Kunj, Site V, Kanpur-208 022
3. Gajner Road, Raipur, Fatehpur Roshnai Dist., Akbarpur, Kanpur, Dehat- 209121

Corporate Identity Number

L25209UP1971PLC003444

Website

www.kanplas.com

STATUTORY REPORTS

NOTICE

NOTICE is hereby given that the FOURTY- SEVENTH ANNUAL GENERAL MEETING of Members of M/S KANPUR PLASTIPACK LIMITED will be held at its Registered Office at D-19-20, Panki Industrial Area, Kanpur – 208 022 on Wednesday, the 19th day of September, 2018 at 3:30 PM to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of Auditors and Directors thereon;
2. To consider declaration of Dividend;
3. To appoint a Director in place of Shri Sunil Mehta (DIN: 03422673), who retires by rotation and being eligible, offers himself for re-appointment;

Special Business:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the company be and is hereby accorded to re-appoint Shri Shashank Agarwal (DIN:02790029) as the Deputy Managing Director of the Company for a further period of 3 year w.e.f., from 1st September, 2018 to 31st August, 2021, as recommended by the Nomination and Remuneration Committee on the following Terms and Conditions:

- I. Remuneration : ₹3,00,000/- ₹25,000/- ₹3,50,000/- per month.
- II. Self Development Allowance : ₹20,000/- per month.
- III. Commission : 3% of Net Profits of the Company (payable annually).
- IV. 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:-

- i. House Rent Allowance shall be 30% of salary. The Company shall provide such furniture and furnishing as may be required by the Deputy Managing Director. Further the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.
- ii. 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. Fees of club subject to maximum of two clubs. No admission and life membership fee will be paid.
- v. Personal Accident Insurance of an amount, the annual premium of which shall not exceed ₹12,000/-.
- vi. Company's contribution towards Provident Fund as per the rules of the Company but not exceeding limits as prescribed under the Government regulations from time to time.
- vii. Company's contribution towards Superannuation Fund as per the rules of the Company but it shall not together with the Company's contribution to Provident Fund exceed 25% of the salary. Contribution to Provident Fund and Superannuation Fund not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- viii. Gratuity as per the rules of the Company but shall not exceed half month's salary for each completed year of service.
- ix. Encashment of leave at the end of tenure of service will not be included in the computation of the ceiling on perquisites.
- x. He will not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committees thereof.
- xi. He will be entitled to free use of Company's Car with driver for official as well as for personal purpose.
- xii. The Company shall provide him mobile phone and telephone and other communication facilities at residence and these further will not be considered as perquisites.

“RESOLVED FURTHER THAT in the event of overall managerial remuneration exceeding 11% of the Net Profit in any financial year, the commission / performance incentive payable to all

Whole Time Directors shall be reduced proportionately in order to remain within the limits as prescribed under the Companies Act, 2013.”

“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, perquisites and commission shall not exceed the maximum limits as prescribed under proviso to Table A of Section II (Part II) of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT Shri Manoj Agarwal (DIN: 00474146), Managing Director (residing at Raghushree, 4/283/2, Vishnupuri, Kanpur-208002) and Shri Ankur Srivastava (Membership no. F8537), Company Secretary of the Company (residing at Shree Tirupati Greens Apartments, H-3, 681-682, W-1, Saket Nagar, Kanpur-208014) be and are hereby jointly and / or severally authorized to do all such acts, deeds and things as may be deemed necessary, expedient and desirable to give effect to the above resolution.”

NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING “THE MEETING” IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 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.
- A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
- Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

- A statement pursuant to section 102(1) of the Companies Act, 2013 relating to the special businesses to be transacted at the Annual General Meeting is annexed hereto.
- During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company.
- Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) and Bank Details by every shareholder, accordingly, shareholders are requested to please update PAN and Bank details to their Depository Participant in case of Demat holding. Members holding shares in physical form may submit the Pan and Bank details to the Company or its registrar.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 14th September, 2018 to 19th September, 2018 (both days inclusive). The entitlement to dividend on shares, if declared, will be determined on the basis of names registered in the Register of Members of the Company after giving effect to the valid share transfers in physical form lodged with the Company on or before 13th September, 2018 and the beneficial owners as per the Beneficiary List at the close of the business hours on 13th September, 2018 as provided by NSDL and CDSL.
- The members are hereby informed that the Company has transferred the amount of unpaid dividend for the year 2009-10, which remained unpaid over a period of 7 years, to the Investor Education and Protection Fund (IEPF) constituted under Section 125 of the Companies Act, 2013. It is pertinent to mention that no claim of investors shall lie against IEPF. The details of unpaid dividend are as follows :-

| S. NO. | Dividend Year | Unpaid Balance as on 31/03/2018 (In ₹) |
|--------|-------------------|--|
| 1. | 2010-11 | 3,33,958.00 |
| 2. | 2011-12 | 5,10,989.00 |
| 3. | 2012-13 | 5,20,265.00 |
| 4. | 2013-14 | 6,35,863.20 |
| 5. | 2014-15 | 6,84,559.20 |
| 6. | 2015-16 (Interim) | 6,49,256.40 |
| 7. | 2015-16 | 3,50,946.00 |
| 8. | 2016-17 | 15,17,580.60 |

Investors are advised to send all un-encashed dividend warrants pertaining to the years shown above to the Company for revalidation. It is further informed that unclaimed/ unpaid dividend pertaining to the Financial Year 2010-11 will become due for transfer to Investor Education and Protection Fund (IEPF) on 02.11.2018.

11. Pursuant to the provisions of Section 124(6) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), 'Equity Shares', on which Dividend has not been claimed for a continuous period of 7 years, will be transferred to Investor Education and Protection Fund (IEPF) Suspense Account constituted under Section 125 of the Companies Act, 2013. It is pertinent to mention that no claim shall lie against the Company, though Shareholders have the right to claim the underlying shares from IEPF Suspense Account in the manner prescribed in the IEPF Rules.
12. Notices have been served to the individual shareholders whose shares are liable to be transferred to IEPF Suspense Account. The underlying shares will be transferred to the IEPF Suspense Account in November, 2018. Therefore, shareholders are requested to please claim their unpaid dividend for earlier years at the earliest.
13. Members who have multiple folios with identical order of names are requested to intimate to the Company those folios to enable the Company to consolidate all shareholdings into one folio.
14. Members having any query(ies) relating to this Annual Report are requested to send their questions to Registered Office of the Company at least 7 days before the date scheduled for Annual General Meeting.
15. Members who hold shares in physical form are requested to intimate to the Company Bank mandate under the signature of Sole/first named joint shareholder specifying Bank's name, Name and Address (with PIN No.) of the Branch, Account Type - Saving (SA) or Current (CA), Account No.
16. In case of physical transfer or transmission of shares, copy of PAN Card of the transferee is mandatory.
17. SEBI has amended Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette Notification dated June 8, 2018 and mandated that transfer of securities would be carried out in dematerialized form only. **Accordingly, with effect from December 5, 2018, transfer of securities would be carried in dematerialized form only.**
18. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
19. Investors holding shares in physical form are advised to opt for Electronic Clearing System (ECS) to avail fast and safe remittance of dividend. A photocopy of a leaf of your Cheque book bearing your Account Number may also be sent along with mandate.
20. Electronic copy of the Annual Report is being sent to all Members whose email IDs are registered with the Company / Depository Participants (DP) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode. In case you wish to get a physical copy of the Annual Report, you may send your request to secretary@kanplas.com mentioning your folio/DP ID and Client ID. Annual Report is also available on the website of the Company at www.kanplas.com.
21. Members holding shares in physical mode are requested to register their email IDs with the Company or its Registrar & Share Transfer Agents, M/s Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi -110020 and Members holding shares in demat mode are requested to register their email ID's with their respective Depository Participants (DP) in case the same is still not registered.
22. Members are also requested to notify any changes in their email ID or Bank Mandates or address to the Company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Company. In respect of holding in electronic form, Members are requested to notify any change of email ID or Bank mandates or address to their Depository Participants.
23. Members / Proxies / Authorised Representatives are requested to bring attendance slip duly filled along with their copies of Annual Report in the meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
24. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
- 25. Members are requested to fill and send Feedback Form provided in the Annual Report to register / update their e mail id.**
26. All material documents are open for inspection by the members on all working days at the Registered Office of the Company till the conclusion of the Annual General Meeting.

27. Details of Directors who are proposed to be appointed / reappointed, nature of their expertise in specific functional areas, names of memberships / chairmanships of Board or Committees thereof, shareholding and relationships between directors inter-se as stipulated under Regulation 34(3) of SEBI (LODR) Regulations, 2015 are provided in the Corporate Governance Report forming part of the Annual Report.
28. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, your Company is providing remote e-voting facility to all its members to exercise their right to vote electronically on items mentioned in this Notice. Notice, e-voting form along with the detailed procedure of e-voting are being sent by electronic mode to all the shareholders whose email ids are registered with the Company unless a shareholder has requested for a hard copy of the same. For shareholders who have not registered their email ids with the Company, physical copies of the aforesaid documents are being sent by the permitted mode. The said details are also available on the website of the Company www.kanplas.com.
29. The facility for voting, either through electronic voting system or ballot or Polling Paper shall also be made available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right at the meeting.
30. The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitle to cast their vote again.

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

ITEM NO. 4:-

The Board of Directors of your Company, at their meeting held on 13th August, 2018 has, pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to the approval of shareholders, re-appointed Shri Shashank Agarwal, as Deputy Managing Director for a period of 3 years w.e.f. 1st September, 2018 till 31st August, 2021 at the remuneration as recommended by the Nomination and Remuneration Committee of the Board.

Shri Shashank Agarwal graduated from the University of Nottingham, UK was appointed as Director (Technical) of the Company w.e.f. 5/6/2010 and has been an officer of the Company since 8/6/2009. He has been instrumental in streamlining the company's operations with backward integration and diversification

of products manufactured by the Company all these years. He has also contributed in improving the marketing strategies. Thus the company has established itself as a reliable and trust worthy exporter in the European, South and North American Countries.

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

Shri Shashank Agarwal holds 887064 equity shares of the Company. He holds directorships in following Companies:

Other Companies Directorship:

1. KPL Packaging Private Limited
2. MSA Investment & Trading Co. Private Limited
3. KSM Exports Limited
4. Raghushree Realestate Private Limited
5. Kanpur Flexibulk Containers Private Limited

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

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

Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal and Smt Usha Agarwal being relatives and Shri Shashank Agarwal being himself may be deemed to be interested in the resolution set out at item no. 4. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend passing of above resolution as Special Resolution.

By order of the Board of Directors

For **Kanpur Plastipack Ltd.**

Place: Kanpur
Date : 13th August, 2018

Ankur Srivastava
Company Secretary

Other General Information:

- i) The Company is mainly engaged in manufacturing of HDPE/ PP Fabric, Sacks, FIBC Bags and Multi Filament Yarn(MFY) and trading of plastic granules as Consignment Stockist of Indian Oil Corporation Limited. The turnover of the Company and its financial performance during last 3 years have been as under:

| (₹ In Lacs) | | | |
|-------------|----------------------|------------------|----------------------|
| Year | Sales & Other Income | Operating Profit | Net Profit after Tax |
| 2017-18 | 28519 | 3585 | 1692 |
| 2016-17 | 24636 | 3411 | 1446 |
| 2015-16 | 24963 | 3753 | 1646 |

- ii) The Export performances of the Company are ₹ 20337 Lacs, ₹ 19690 Lacs and ₹ 21973 Lacs during 2015-16, 2016-17 and 2017-18, respectively.
- iii) There is no foreign investment or collaborations.
- iv) Shri Mahesh Swarup Agarwal, is the father of Shri Manoj Agarwal and grandfather of Shri Shashank Agarwal. Smt. Usha Agarwal is the mother of Shri Shashank Agarwal.
- v) Shri Shashank Agarwal does not have any pecuniary relationship with the Company except as shareholder and as an employee.

- vi) The background and other details of Shri Shashank Agarwal are provided in the Corporate Governance Report forming part of the Annual Report.
- vii) The past remuneration of Shri Shashank Agarwal was ₹ 2,40,000/- p.m. plus other perks.
- viii) In the industry, it is a normal trend of providing remuneration to the Chief Executives about ₹ 50 Lacs plus other perks and commission linked with the profits of the Company. With the exemplary efforts of Shri Shashank Agarwal, performance of the Company has remarkably improved and their proposed remuneration does not exceed the industry norm.
- ix) The Company has earned profits after tax to the tune of ₹1692 Lacs during the financial year ended 31/03/2018 and as such having a sound profitability which is expected to increase in future. The phrase "inadequate profits" is only indicative that whenever the salary payable to the managerial personnel exceeds the limits provided by section 197 of the Companies Act, 2013 and therefore, the provisions of section II of part II of Schedule V of the said act become applicable.

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

Place: Kanpur
Date : 13th August, 2018

Ankur Srivastava
Company Secretary

Paper less compliance of Corporate Governance- Green Initiative of MCA

Dear Shareholder,

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

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

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

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

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

Sd/-
(Ankur Srivastava)
Company Secretary

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

Route map of venue of Annual General Meeting:

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



BOARDS' REPORT

Dear Members,

Your Directors are pleased to present their Fourty Seventh Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2018.

Financial Highlights:

| Particulars | (₹ in Lacs) | |
|--|-----------------|-----------------|
| | 2017-18 | 2016-17 |
| Sale of products | 28366.03 | 24510.15 |
| Other Income | 152.47 | 124.54 |
| Total Income | 28518.50 | 24634.69 |
| Profit Before Tax | 2534.45 | 2313.71 |
| Less: Current Tax | 792.00 | 773.00 |
| Less: Earlier year Tax Adjustment | 2.35 | 15.05 |
| Less: Deferred Tax | 48.25 | 79.35 |
| Net Profit After Tax | 1691.85 | 1446.31 |
| Balance profit from Last Years | 6722.45 | 5788.52 |
| Less: Appropriations: | | |
| Other Comprehensive Incomes | 68.09 | 61.83 |
| Transfer to General Reserve | - | - |
| Issue of Bonus Shares | - | 397.96 |
| Final Dividend on Equity Shares Paid during the year | 214.90 | 47.76 |
| Tax on Dividend | 43.74 | 4.83 |
| Balance carried to Balance Sheet | 8087.57 | 6722.45 |

Review of Operations:

Fiscal 2017-18 proved to be year of stellar performance for your Company with an all time High Sales Revenue of ₹ 285 Crores. Delivering superior performance in today's volatile and global environment requires sound strategy and disciplined execution. A sustained focus on new marketing initiatives and acquisition of new customers has led to an improved overall performance of your company as highlighted below :

Financial

- 🔍 Sales Turnover increased by 16% to ₹ 285 Cr (PY ₹ 246 Cr.)
- 🔍 Export earnings increased by 12% to ₹ 220 Cr. (PY ₹ 197 Cr.)

- 🔍 Profit Before tax ₹ 25 Cr. (PY ₹ 23 Cr.)
- 🔍 Net Worth of the Company went up by 49%.
- 🔍 EPS went to ₹ 13.36 from ₹ 11.60 PY despite an increase in the Capital base arising out of the Rights Issue.

Operational :

- ☞ FY 2017-18 saw an overall increase in volumes. FIBC sales went up to 9619 MT from 9308 MT (PY) an increase of 3%.
- ☞ Fabric sales went up to 3964 MT from 3530 MT (PY).
- ☞ MFY sales went up to 2477 MT from 2104 MT (PY).
- ☞ Total number of active customers went up to 55 from 41 (PY).
- ☞ The geographical footprint expanded and now we sell to around 40 countries globally.

- ☞ The foundation and ground breaking ceremony of the new Greenfield Project at Gajner Road was performed on the 1st of April 2017.
- ☞ The Roof Top Solar plant generated 4,92,443 units of electricity during the year reducing the carbon foot print by about 8 Lacs Kg.
- ☞ The Dealer Operated Polymer Warehouse activity of IOCL remained steady and we sold 14560 MT this year. Sales of this division were affected for a few months due to the initial impact of GST implementation.

Share Capital:

During the year your Company has issued and allotted 23,87,774 partly paid up equity shares on Rights basis. The Board has also made call on these partly paid up shares. The conversion of partly paid shares on which call money have been received into fully paid up equity shares and listing and trading approval thereon are under process.

Dividend:

Your Directors have recommended a final dividend @ ₹ 1.80 per Equity Share for the financial year 2017-18 on increased capital. Payment of dividend is subject to the approval of shareholders. Further, the dividend shall be paid in proportion to the paid up value of equity shares.

Outlook:

Your Company continues to work on technological upgradation and innovation. The new Greenfield project at Gajner Road, Fatehpur Roshnai District, Kanpur Dehat was formally inaugurated and production started on the 20th of July, 2018 where the company has created an additional work space of about 40,000 sq meters of building. It will take a couple of months for the entire operations to streamline whereby substantial shifting from existing locations will also take place. To follow the growth momentum and to take a great leap forward your Company is gearing to rollout this ambitious project which will be instrumental in substantial expansion of the existing capacities and consolidation of operations. The management continues to look at more investment opportunities and invest wherever opportunities are available.

The management continues to lay emphasis on exports of value added products and expanding the geographical reach

of its export market is your Company's priority. The outlook for the current financial year looks robust and positive. The management is hopeful of improving its profitability.

Deposits:

Your Company has taken Deposits from Corporates, Directors, Promoters and their relatives. The outstanding balance of which is ₹ 227.00 Lacs as on 31/03/2018. In view of Section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 all the deposits held by the Company are exempted deposits.

Directors:

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

Further, the Board of Directors have re-appointed Shri Shashank Agarwal as Deputy Managing Director on fresh terms as recommended by the Nomination and Remuneration Committee, subject to the approval of shareholders at the ensuing Annual General Meeting, for a period of 3 years w.e.f. 1st September 2018.

Meetings of The Board of Directors:

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

Your company has digitalized the Board Process and adopted the paper less Board meeting w.e.f. the current financial year.

Key Managerial Personnel:

Following are the Key Managerial Personnel of your Company:

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

Declaration of Independent Directors:

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

Corporate Governance:

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

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

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2017-18 are annexed as Annexure 'B' which forms part of this Report.

Particulars of Employees:

The information required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 'C' which forms part of this Report.

Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management

and Administration) Rules, 2014 are furnished in Annexure 'D' and is attached to this Report.

Listing:

The Equity Shares of Company continue to be listed at Bombay Stock Exchange. We confirm that the Annual Listing Fees for the financial year 2018-19 has been paid within the stipulated time.

Auditors:

I. Statutory Auditors and their Report

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

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

II. Cost Auditors

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

III. Secretarial Auditors

The Company has appointed M/s Adesh Tandon & Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company for the year 2017-18. The Secretarial Audit Report, as placed by the Auditor is annexed with this Report as Annexure 'E'. There was no qualification, reservation or adverse remark made by the Auditor in their respective report.

IV. Internal Auditors:

The Company has appointed M/s SKVA & Co., Chartered Accountants as the Internal Auditors of the Company for the year 2017-18. Their report is placed before the Audit Committee of the Company from time to time.

Internal Control System and Their Adequacy

The Company has adequate system of internal control with reference to the financial statements. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting

Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Company ensures proper and adequate systems and procedures commensurate with its size and nature of its business.

Corporate Social Responsibility

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

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

Particulars of Loans, Guarantees or Investments

Your Company has not made any Loan or given any Guarantees and the details of investments are given under note 8 of the Financial Statements. However, the investments made does not exceeds the limits as prescribed under Section 186 of the Companies Act, 2013.

Vigil Mechanism (Whistle Blower Policy)

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulations 34 (3) and 53 (f) of SEBI (LODR) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company.

Risk Management

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

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

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

Material Changes and Commitments :

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

Indian Accounting Standards:

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

Board Evaluation:

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

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

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

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

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

Related Party Transactions:

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

All the transactions with the related parties entered during the year 2017-18 were in the ordinary course of business, on arm's

length basis and are under omnibus approval granted by the Audit Committee.

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

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

Company's Policy on Directors' Appointment and Remuneration:

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

1. The need for change in composition and size of the Board;
2. Recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance.
3. Recommend the policy for remuneration of Directors, KMPs & other senior level employees of the Company and review the same in accordance with the performance of the Company and industry trend.

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

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

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

Directors' Responsibility Statement:

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

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts of the Company on a going concern basis.
- v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement:

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

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

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

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

Place: Kanpur
Date : 13th August, 2018

(Shashank Agarwal)
Deputy Managing Director

(Manoj Agarwal)
Managing Director

ANNEXURE- 'A' TO THE BOARDS' REPORT

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance:

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

the Company has adopted paper less board meetings from the current year onwards this will enhance transparency and governance in the Board Processes.

2. Board of Directors:

As on 31st March, 2018, the Board of Kanpur Plastipack Limited consists of three Whole Time Directors and seven Non-Executive Directors, five of whom are Independent Directors including one Non-Independent Woman Director. The composition of the Board and other relevant details relating to Directors during the Financial Year 2017-18 are as under:

| Name of the Director | Category | No of Equity Shares Held | No. of Board Meetings Attended | Whether attended last AGM | No. of Other Directorship | No. of Other Committees Chairmanship | No. of Other Committees Membership* |
|----------------------------|-----------------------------|--------------------------|--------------------------------|---------------------------|---------------------------|--------------------------------------|-------------------------------------|
| Shri Mahesh Swarup Agarwal | Promoter – Non-Executive | 2495060 | 6 | Yes | 3 | - | - |
| Shri Manoj Agarwal | Promoter-Executive | 1147023 | 6 | Yes | 5 | - | - |
| Shri Shashank Agarwal | Promoter-Executive | 887064 | 6 | Yes | 3 | - | - |
| Smt. Usha Agarwal | Promoter - Non- Executive | 1858766 | 5 | Yes | 2 | - | - |
| Shri Sunil Mehta | Executive | NIL | 6 | Yes | 1 | - | - |
| Shri Sobhagya Mal Jain | Non-Executive & Independent | NIL | 5 | Yes | - | - | - |
| Shri Prem S. Khamesra | Non-Executive & Independent | NIL | 4 | Yes | 6 | - | - |
| Shri Subodh Kumar | Non-Executive & Independent | NIL | 6 | Yes | - | - | - |
| Dr. Ram Gopal Bagla | Non-Executive & Independent | NIL | 6 | Yes | - | - | - |
| Shri Akshay Kumar Gupta | Non-Executive & Independent | NIL | 6 | Yes | 1 | - | - |

Re-appointment:

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

The Board of Directors have re-appointed Shri Shashank Agarwal as Deputy Managing Director, subject to the approval of shareholders at ensuing Annual General Meeting, for a period of 3 years w.e.f. 1st September 2018.

The brief profile and other details of Shri Shashank Agarwal is given in the Notice for perusal of members.

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

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

Details of Board Meetings held during the year 2017-18:

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

| S. No. | Date of Board Meeting | Strength of Board | No. of Members Present |
|--------|----------------------------------|-------------------|------------------------|
| 1 | 29 th May, 2017 | 10 | 10 |
| 2 | 31 st July, 2017 | 10 | 10 |
| 3 | 15 th September, 2017 | 10 | 10 |
| 4 | 13 th November, 2017 | 10 | 9 |
| 5 | 05 th December, 2017 | 10 | 7 |
| 6 | 14 th February, 2018 | 10 | 10 |

3. Audit Committee:

The Audit Committee was duly constituted comprising 4 Directors namely Shri S. M. Jain as Chairman and Dr. R. G. Bagla, Shri Akshay Kumar Gupta and Shri Manoj Agarwal as members. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Four Audit Committee meetings were held during the year 2017-18. The details of the meetings are as under:-

| Sl. No. | Date | Committee Strength | No. of members present |
|---------|---------------------------------|--------------------|------------------------|
| 1. | 29 th May, 2017 | 4 | 4 |
| 2. | 31 st July, 2017 | 4 | 4 |
| 3. | 13 th November, 2017 | 4 | 4 |
| 4. | 14 th February, 2018 | 4 | 4 |

The terms of reference of the Audit Committee include review of Quarterly, Half-Yearly and Annual financial statements before submission to the Board for its approval, to review adequacy of internal control system, to apprise the Board on the impact of accounting policies, accounting standards and legislation, to hold periodical discussions with Statutory and Internal Auditors on the scope and content of the audit and to review the Company's financial

The Company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings. The details of the remuneration given to the individual directors are given below:

| Name of Director | Remuneration | Perquisites | Commission/ performance Incentive | Sitting Fee | Stock Option | Others | (₹ in Lacs) |
|-----------------------|--------------|-------------|-----------------------------------|-------------|--------------|--------|-------------|
| | | | | | | | Total |
| Mahesh Swarup Agarwal | - | - | - | 1.07 | - | 24.00 | 25.07 |
| Manoj Agarwal | 46.00 | 11.79 | 49.87 | - | - | - | 107.66 |
| Shashank Agarwal | 36.90 | 6.48 | 49.87 | - | - | - | 93.25 |

and risk management policies. The members of the Committee are well versed in matters relating to finance, accounts, company law, other economic legislation and general management practices.

4. Nomination and Remuneration Committee:

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

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

| Sl. No. | Date | Committee Strength | No. of members present |
|---------|-----------------------------|--------------------|------------------------|
| 1. | 31 st July, 2017 | 4 | 4 |

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

The Company does not pay any remuneration to its non executive Directors, except sitting fee for attending the Board Meetings @ ₹ 20,000/- and ₹ 2,500/- for attending each meeting of Committees, besides reimbursement of expenses of traveling etc.

| | | | | | | | (₹ in Lacs) |
|--------------------|--------------|-------------|---|-------------|-----------------|--------|-------------|
| Name of Director | Remuneration | Perquisites | Commission/ performance Incentive | Sitting Fee | Stock Option | Others | Total |
| Sunil Mehta | 25.50 | 3.42 | 5.00 | - | - | - | 33.92 |
| Usha Agarwal | - | - | - | 0.87 | - | - | 0.87 |
| P. S Khamesra | - | - | - | 0.70 | - | - | 0.70 |
| R. G. Bagla | - | - | - | 1.16 | - | - | 1.16 |
| Subodh Kumar | - | - | - | 1.14 | - | - | 1.14 |
| S. M. Jain | - | - | - | 0.87 | - | - | 0.87 |
| Akshay Kumar Gupta | - | - | - | 1.08 | - | - | 1.08 |

5. Stakeholders' Relationship Committee:

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

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

| S. No. | Date | Committee Strength | No. of members present |
|--------|---------------------------------|--------------------|------------------------|
| 1. | 29 th May, 2017 | 4 | 4 |
| 2. | 31 st July, 2017 | 4 | 4 |
| 3. | 13 th November, 2017 | 4 | 3 |
| 4. | 14 th February, 2018 | 4 | 4 |

The Committee look after the matters relating to transfer of shares, demat of shares, issue of duplicate share certificates, redressal of shareholders / investors grievances and complaints regarding non-receipt of dividends, Annual Reports, etc. During the year 29 investor grievances were received which were duly resolved to the satisfaction of the shareholders. There were no investor grievance which is not resolved or pending to the satisfaction of shareholder.

6. Corporate Social Responsibility Committee

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

| S. No. | Date | Committee Strength | No. of members present |
|--------|---------------------------------|--------------------|------------------------|
| 1. | 29 th May, 2017 | 4 | 4 |
| 2. | 31 st July, 2017 | 4 | 4 |
| 3. | 13 th November, 2017 | 4 | 3 |
| 4. | 14 th February, 2018 | 4 | 4 |

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

7. General Body Meeting:

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

2016-17

Date and Time : 15th September, 2017 at 12:00 Noon

Special Resolution : 1. Re-appointment of Shri Manoj Agarwal as Managing Director

2015-16

Date and Time : 15th September, 2016 at 12:00 Noon

Special Resolution :

1. Increase in Authorise Share Capital.
2. Adoption of new set of Articles.
3. Re-designation of Shri Shashank Agarwal as Deputy Managing Director.
4. Re-designation of Shri Sunil Mehta as Executive Director with revised terms of remuneration.
5. Creation of Charge/Mortgage on the Assets of the Company.

2014-15

Date and Time : 13th August, 2015 at 12:00 Noon

Special Resolution :

1. Revision of terms and conditions of appointment of Shri Manoj Agarwal, Managing Director for the remaining tenure of his present Term.
2. Re-appointment of Shri Shashank Agarwal, Director (Technical) with fresh terms and conditions for a period of 3 years w.e.f. 01/09/2015.
3. Revision of terms and conditions of appointment of Shri Sunil Mehta Director (Operations) for the remaining tenure of his present Term.

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

8. Disclosures:

- a) All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis. Omnibus approval from the Audit Committee was obtained on annual basis for transactions which are of repetitive nature. There was no materially significant related party transaction i.e. transaction of material nature with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts forming part of the Annual Report. The policy to deal with the related party transactions is uploaded on the company's website. The weblink of the same is <http://kanplas.com/wp-content/uploads/Policy-on-Related-Party-Transactions.pdf>.
- b) During the year 2017-18:-
 1. No person has been denied access to the Audit Committee to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics as per the "Vigil Mechanism (Whistle Blower Policy)" of the Company;
 2. The Company has complied with all the mandatory requirements and most of the discretionary requirements specified in SEBI (LODR) Regulations, 2015; and
 3. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or by any statutory authority on any matter related to capital markets during last three years.
- c) The Company has complied with the Corporate Governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

9. Means of Communication:

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

10. General Shareholder Information:

(i) Annual General Meeting

Date : 19th September, 2018

Time : 3.30 PM.

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

(ii) Financial Year

: 1st April, 2017 to 31st March, 2018

(iii) Date of Book Closure

: 14th September, 2018 to 19th September, 2018 (both days inclusive).

(iv) Dividend payment date, if declared

: 28th September, 2018

(v) Listing on Stock Exchanges

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

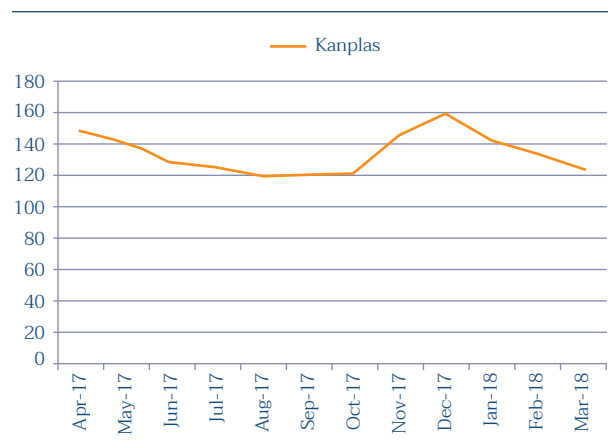
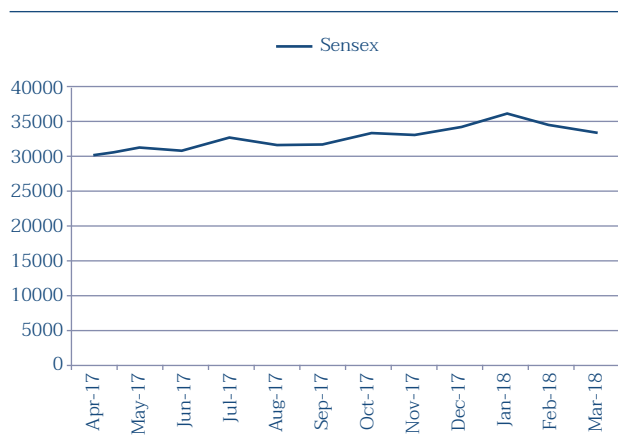
(vi) Stock Code

: 507779

(vii) Market Price Data at BSE:

| Month | High (H) | Low (H) |
|----------------|----------|---------|
| April 2017 | 173.00 | 143.10 |
| May 2017 | 155.00 | 137.60 |
| June 2017 | 142.95 | 127.30 |
| July 2017 | 134.00 | 126.10 |
| August 2017 | 128.45 | 112.20 |
| September 2017 | 146.80 | 113.60 |
| October 2017 | 128.70 | 113.40 |
| November 2017 | 148.50 | 115.05 |
| December 2017 | 169.00 | 131.20 |
| January 2018 | 188.90 | 144.00 |
| February 2018 | 163.00 | 118.55 |
| March 2018 | 145.00 | 110.10 |

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

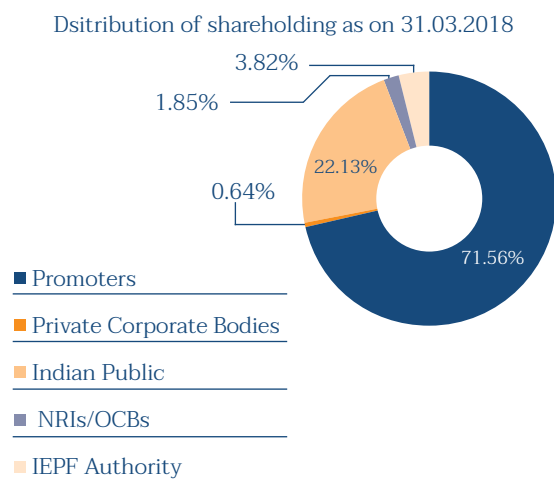


(ix) Registrar and Share Transfer Agent(RTA) : Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor, Okhla
Industrial Area, Phase-I
New Delhi- 110 020

(x) Share Transfer System: -

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

(xi) Shareholding Pattern as on 31st March, 2018:



| Category | No. of shares held | % of Share holding |
|---|--------------------|--------------------|
| Promoters | 1,02,51,708 | 71.56 |
| Mutual Funds and UTI | - | - |
| Financial Institutions, Banks and Insurance Companies | - | - |
| Private Corporate Bodies | 91,176 | 0.64 |
| FIIIs | - | - |
| Indian Public | 31,70,881 | 22.13 |
| NRIs/OCBs | 2,65,612 | 1.85 |
| IEPF Authority | 5,47,268 | 3.82 |
| Total | 1,43,26,645 | 100% |

(xii) Distribution of Shareholding as on 31st March 2018:

| Category | No. of Shareholders | Percentage | No. of Shares | Percentage |
|----------------|---------------------|------------|------------------|------------|
| 1 -500 | 7540 | 87.21 | 12852300 | 8.97 |
| 501-1000 | 636 | 7.36 | 4485380 | 3.13 |
| 1001-2000 | 241 | 2.79 | 3422770 | 2.39 |
| 2001-3000 | 92 | 1.06 | 2337850 | 1.63 |
| 3001-4000 | 44 | 0.51 | 1526670 | 1.07 |
| 4001-5000 | 22 | 0.25 | 1005520 | 0.70 |
| 5001-10000 | 31 | 0.36 | 2077930 | 1.45 |
| More Than10000 | 40 | 0.46 | 115558030 | 80.66 |
| Total | 8646 | 100 | 143266450 | 100 |

(xiii) Dematerialization of shares: -

The Company's shares are under demat mode as well. The ISIN of the Company is INE694E01014. As on 31st March, 2018, 96.04% equity shares of the Company are in dematerialized mode.

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

: Not Applicable

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

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

(xvi) Plant and Location:

- (i) Registered Office : D-19-20, Panki Industrial Area,
Kanpur – 208 022
- (ii) Manufacturing Units 1- D-19-20, Panki Industrial Area,
Kanpur - 208 022.
- 2- A-1, A-2, Udyog Kunj, Site V,
Kanpur - 208 022
- 3- Gajner Road, Raipur, Fatehpur Roshnai Dist.,
Akbarpur, Kanpur, Dehat- 209121

(xvi) Address for Investor Correspondence: -

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

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

Declaration

I, Manoj Agarwal, Managing Director of Kanpur Plastipack Limited, hereby declare that, pursuant to Regulation 17 (5) of the SEBI (LODR) Regulations, 2015, all members of the Board and Senior Management personnel have affirmed their compliance with the Code of Conduct for the year ended 31st March, 2018.

Place: Kanpur
Date: 13th August, 2018

For Kanpur Plastipack Limited

(Manoj Agarwal)
Managing Director

Certificate regarding Compliance of Conditions of Corporate Governance

To,
The Members of
Kanpur Plastipack Limited

We have examined the compliances of the conditions of Corporate Governance by the “Kanpur Plastipack Limited” (“The Company”) for the financial year ended 31.03.2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the said company with stock exchange(s) in India.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management of the company. The management responsibility includes the implementation of the rules and regulations and maintenance of the internal control and procedure to comply with the conditions of the corporate governance stipulated in the listing regulation.

Our Responsibility

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Restrictions on use

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

For **Adesh Tandon & Associates**
Company Secretaries

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

Place: Kanpur
Date : 13th August, 2018

ANNEXURE- 'B' TO THE BOARDS' REPORT**Particulars Required Under Section 134(3)(m) of The Companies Act, 2013 Read With Rule 8(3) of The Companies (Accounts) Rules, 2014****A. Conservation of Energy:****I. Steps Taken or Impact on Conservation of Energy:**

- a) Variable speed drive has been incorporated in eight TFO machines to reduce their power consumption. This has resulted into saving of approx. 7000 units of electricity per month.

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

During the year, the rooftop solar grid system (capacity 506 KW) has produced 4,92,443 units of electricity. The system has also saved emission of 8,07,607 Kgs of Carbon Di Oxide during the year.

Net metering facility in A1-A2 unit has become operational wef 1.5.2018. Through net metering, company has exported 23,880 units of electricity since installation of roof top Solar System to KESCO (DISCOM).

III. Capital Investment on Energy Conservation Equipments:

During the year total Investment Capitalized under this head was ₹2.92 Lacs.

B. Technology Absorption:**I. Efforts made towards Technology Absorption:**

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

- a) Side folding of fabric on looms.
- b) Installation of Corona treatment on lamination plants.
- c) Use of Roll storage racks for storage of fabric rolls and handling of fabric rolls by Reach Truck.
- d) Use of CCTV camera, high power blower in bag cleaning machine.

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

- a) This will also reduce manpower required for fabric folding..
- b) This will improve the quality of adhesion of film on woven fabric.
- c) This has resulted in saving of manpower and time in cutting department.
- d) This has resulted in improved quality of cleaning and reduction in bag cleaning time.

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

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

IV. The Expenditure Incurred on Research and Development:

NIL

C. Foreign Exchange Earnings and Outgo:

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

| | (₹ in Lacs) |
|--|-------------|
| (i) Earning on FOB value basis | 21862.56 |
| (ii) Total Expenditure in Foreign Currency: | |
| (a) Expenditure on Import of Raw Materials, Plant and Machinery and Spare parts and others | 1989.30 |
| (b) Expenditure on Export promotion tour | 8.52 |
| (c) Expenditure on other than above | 190.33 |

ANNEXURE- 'C' TO THE BOARDS' REPORT

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

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

Remuneration paid to Directors and Key Managerial Personnel:

| | | | | | | | (₹ in Lacs) |
|---------|-----------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|-------------------------|----------------------------------|
| Sl. no. | Name | Title / Category | Remuneration in Fiscal 2018 | Remuneration in Fiscal 2017 | Increase in Remuneration | % increase remuneration | Ratio of remuneration to the MRE |
| 1 | Mahesh Swarup Agarwal | Chairman Emeritus | 24 | 24 | 0 | - | 19.05 |
| 2 | Manoj Agarwal | Managing Director -KMP | 107.66 | 96.83 | 10.83 | 11.18% | 85.44 |
| 3 | Shashank Agarwal | Deputy Managing Director | 93.26 | 81.51 | 11.75 | 14.42% | 74.02 |
| 4 | Sunil Mehta | Executive Director | 33.92 | 29.29 | 4.63 | 15.81% | 26.92 |
| 5 | Usha Agarwal | Non Executive Director | - | - | - | - | - |
| 6 | P.S. Khamesra | Independent Director | - | - | - | - | - |
| 7 | S.M. Jain | Independent Director | - | - | - | - | - |
| 8 | Subodh Kumar | Independent Director | - | - | - | - | - |
| 9 | Ram Gopal Bagla | Independent Director | - | - | - | - | - |
| 10 | Akshay Kumar Gupta | Independent Director | - | - | - | - | - |
| 11 | Ankur Srivastava | Company Secretary -KMP | 10.83 | 5.75* | - | - | 8.60 |
| 12 | Arvind Gunjan | CFO -KMP | 24.88 | 19.52 | 5.36 | 27.46% | 19.75 |

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

Key parameters for any variable component of remuneration availed by the Directors: Commission as a fixed percentage of net profit is paid to Managing Director and Deputy Managing Director. Fixed performance incentive is paid to Executive Director.

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

Comparison of Remuneration to Employees

| | (₹ in Lacs) | | | | | | | |
|---|---------------------|---------------------|------------------------|-----------------------------------|--|---------------------|----------------------------------|---------------------------------------|
| | As on 31.03.2018 | As on 31.03.2017 | Increase / Decrease | Average Increase / Decrease | Median Remuneration of Employee (MRE) | | Increase / Decrease in MRE | % Increase / Decrease in MRE |
| | | | | | As on 31.03.2018 | As on 31.03.2017 | | |
| Number of permanent Employees on the rolls of the Company | 878 | 846 | 32 | - | - | - | - | - |
| Total Remuneration | 2729.54 | 2307.63 | 421.91 | 0.38 | 1.26 | 1.21 | 0.05 | 4.13% |

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

Average increase in the remuneration of employees is ₹ 0.38 Lacs and percentile average increase in remuneration is 13.97%. Whereas, there is a increase in the turnover of the Company about 16% and net profit by 17%, respectively, the remuneration is increased due to change in policy, new recruitment, revision of salary and increased bonus to workers.

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

Average percentile increase in salaries of employees other than managerial personnel during 2017-18 was 18.19%. In the same period there was a increase of about 12.78% in the managerial remuneration. It can therefore be seen that there is a similarity between the increase of turnover of the Company and its profits with the remuneration paid to managerial personnel.

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

| Name of Employee | Designation of the Employee | Nature of Employment, whether contractual or otherwise | Qualification and experience of the employee | Date of commencement of employment | Age of Employee | Last employment held before joining the Company | % of Equity Shares held | Remuneration Received (₹ in Lacs) |
|------------------|-----------------------------|--|--|---|-----------------|---|-------------------------|-----------------------------------|
| Manoj Agarwal | Managing Director | Contractual | Master in Management Studies | 01/09/2017 Commencement of present employment for the period of 3 years. | 63 | NIL | 8.01 | 107.66 |

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

ANNEXURE- 'D' TO THE BOARDS' REPORT**Form No. MGT-9****Extract of Annual Return**

as on the Financial Year ended 31/03/2018

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

I. Registration and Other Details:

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

II. Principal Business Activities of the Company

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Manufacture and export of FIBC (Flexible Intermediate Bulk Container), Woven Sacks | 3132 | 81.10 |
| 2 | Manufacture and export of high tenacity Multifilament Yarn | 20203 | 10.95 |

III. Particulars of Holding, Subsidiary and Associate Companies -

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

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

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 6884761 | - | 6884761 | 57.67 | 8558788 | - | 8558788 | 59.74 | 2.14 |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 1375874 | - | 1375874 | 11.52 | 1692920 | - | 1692920 | 11.82 | 0.31 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other. | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | 8260635 | - | 8260635 | 69.19 | 10251708 | - | 10251708 | 71.56 | 2.37 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other – Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoters (A)=(A)(1) + (A)(2) | 8260635 | - | 8260635 | 69.19 | 10251708 | - | 10251708 | 71.56 | 2.37 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt.-IEPF | - | - | - | - | 547268 | - | 547268 | 3.82 | 3.82 |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | 547268 | - | 547268 | 3.82 | 3.82 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 160994 | 1500 | 162494 | 1.36 | 90801 | 375 | 91176 | 0.64 | (0.72) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹2 lakh | 1755769 | 853533 | 2609302 | 21.86 | 2063017 | 483769 | 2546786 | 17.78 | (4.08) |
| ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh | 352705 | - | 352705 | 2.96 | 483689 | - | 483689 | 3.38 | 0.42 |
| c) NBFC Registered with RBI | - | - | - | - | 175 | - | 175 | 0.00 | 0.01 |
| d) Others | | | | | | | | | |
| d-1) (NRI) | 135983 | 283249 | 419232 | 3.51 | 181759 | 83853 | 265612 | 1.85 | (1.66) |
| d-2) HUF | 78062 | - | 78062 | 0.65 | 113501 | - | 113501 | 0.79 | 0.14 |
| d-3) clearing members | 56441 | - | 56441 | 0.47 | 26583 | - | 26583 | 0.19 | (0.28) |
| d-4) Trust | - | - | - | - | 147 | - | 147 | - | - |
| Sub-total (B)(2):- | 2539954 | 1138282 | 3678236 | 30.81 | 2959672 | 567997 | 3527669 | 24.62 | (6.19) |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 2539954 | 1138282 | 3678236 | 30.81 | 3506940 | 567997 | 4074937 | 28.44 | (2.37) |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 10800589 | 1138282 | 11938871 | 100 | 13758648 | 567997 | 14326645 | 100 | - |

Note: During the year the Company has issued 2387774 partly paid up equity shares to its existing shareholders under Rights Issue.

(ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|--------------|---|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Mahesh Swarup Agarwal | 1900680 | 15.92 | - | 2495060 | 17.42 | - | 1.50 |
| 2 | Usha Agarwal | 1482471 | 12.42 | - | 1858766 | 12.97 | - | 0.55 |
| 3 | Manoj Agarwal | 914818 | 7.66 | - | 1147023 | 8.01 | - | 0.35 |
| 4 | Shashank Agarwal | 707485 | 5.93 | - | 887064 | 6.19 | - | 0.26 |
| 5 | Mahesh Swarup Agarwal HUF | 581118 | 4.87 | - | 697341 | 4.87 | - | - |
| 6 | Alka Jain | 348165 | 2.91 | - | 348165 | 2.43 | - | (0.48) |
| 7 | Manoj Agarwal HUF | 322222 | 2.70 | - | 404010 | 2.82 | - | 0.12 |
| 8 | Jayatika Goyal | 225000 | 1.88 | - | 270000 | 1.88 | - | - |
| 9 | Kanika Mahadevwala | 211500 | 1.77 | - | 211500 | 1.48 | - | (0.29) |
| 10 | Manjari Agarwal | 191302 | 1.60 | - | 239859 | 1.67 | - | 0.07 |
| 11 | KSM Exports Ltd. | 627862 | 5.26 | - | 753434 | 5.26 | - | - |
| 12 | MSA Investment & Trading Co. Pvt. Limited | 748012 | 6.27 | - | 937876 | 6.55 | - | 0.28 |
| 13 | KPL Packaging Pvt. Limited | 00 | 00 | - | 1610 | 0.01 | - | 0.01 |
| Total | | 8260635 | 69.19 | - | 10251708 | 71.56 | - | 2.37 |

Note: During the year the Company has issued 2387774 partly paid up equity shares to its existing shareholders under Rights Issue.

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

During the year the Company has issued 2387774 partly paid up equity shares to its existing shareholders under Rights Issue. Accordingly, change in Promoters shareholding is only due to issuance of shares under Rights Issue to the Promoters' group.

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

| Sl No. | Name | Shareholding at the beginning of the year | | Date | Increase / Decrease in Share holding | Reason | Cumulative Share holding during the year (01-04-17 to 31-03-18) | | Shareholding at the end of the year | |
|--------|-------------------------|---|----------------------------------|------------|--------------------------------------|-------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Deepinder Singh Poonian | 117594 | 0.98 | 31/03/2017 | - | - | 117594 | 0.82 | 117594 | 0.82 |
| 2 | Sanjeev Chopra | 58621 | 0.49 | 31/03/2017 | 14878 | Right Issue | 73499 | 0.51 | 73499 | 0.51 |
| 3 | Sangeetha S | 55690 | 0.47 | 31/03/2017 | 11138 | Right Issue | 66828 | 0.47 | 66828 | 0.47 |

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

| Sl. No. | Name | Shareholding at the beginning of the year | | Date | Increase / Decrease in Share holding | Reason | Cumulative Share holding during the year (01-04-17 to 31-03-18) | | Shareholding at the end of the year | |
|---------|------------------------------|---|----------------------------------|------------|--------------------------------------|-------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 4 | Atul Kanodia | 00 | 00 | 31/03/2017 | | | | | | |
| | | | | 02/06/2017 | 20000 | Purchase | 20000 | 0.14 | | |
| | | | | 04/08/2017 | (6115) | Sale | 13885 | 0.10 | | |
| | | | | 01/12/2017 | 10000 | Purchase | 23885 | 0.17 | | |
| | | | | 08/12/2017 | 26115 | Purchase | 50000 | 0.35 | | |
| | | | | 12/01/2018 | (5000) | Sale | 45000 | 0.31 | | |
| | | | | 09/02/2018 | 13490 | Right Issue | 58490 | 0.41 | | |
| | | | | 31/03/2018 | | | | | 58490 | 0.41 |
| 5 | Pawan Kumar Jain | 34687 | 0.29 | 31/03/2017 | | | | | | |
| | | | | 12/01/2018 | (502) | Sale | 34185 | 0.24 | | |
| | | | | 02/02/2018 | 502 | Purchase | 34687 | 0.29 | | |
| | | | | 09/02/2018 | 6227 | Right Issue | 40914 | 0.29 | | |
| | | | | 31/03/2018 | | | | | 40914 | 0.29 |
| 6 | Vijaya Kumar Chinnaswamy | 37330 | 0.31 | 31/03/2017 | - | - | - | - | | |
| | | | | 31/03/2018 | - | - | - | - | 37330 | 0.26 |
| 7 | Abhinav Jain | 28923 | 0.24 | 31/03/2017 | | | | | | |
| | | | | 09/02/2018 | 7339 | Right Issue | 36262 | 0.25 | | |
| | | | | 31/03/2018 | | | | | 36262 | 0.25 |
| 8 | Umesh Ganesh Saxena | 00 | 00 | 31/03/2017 | | | | | | |
| | | | | 21/04/2017 | 9000 | Purchase | 9000 | 0.06 | | |
| | | | | 05/05/2017 | 6000 | Purchase | 15000 | 0.10 | | |
| | | | | 26/05/2017 | 1000 | Purchase | 16000 | 0.11 | | |
| | | | | 10/11/2017 | 3200 | Purchase | 19200 | 0.13 | | |
| | | | | 17/11/2017 | 2800 | Purchase | 22000 | 0.15 | | |
| | | | | 15/12/2017 | 2000 | Purchase | 24000 | 0.17 | | |
| | | | | 22/12/2017 | 5500 | Purchase | 29500 | 0.21 | | |
| | | | | 29/12/2017 | 2500 | Purchase | 32000 | 0.22 | | |
| | | | | 12/01/2018 | (4130) | Sale | 27870 | 0.19 | | |
| | | | | 19/01/2018 | (1200) | Sale | 26670 | 0.19 | | |
| | | | | 09/02/2018 | 1000 | Purchase | 27670 | 0.19 | | |
| | | | | 09/02/2018 | 6090 | Right Issue | 33760 | 0.24 | | |
| | | | | 16/02/2018 | 240 | Purchase | 34000 | 0.24 | | |
| | | | | 31/03/2018 | | | | | 34000 | 0.24 |
| 9 | Neelam Jain | 29812 | 0.25 | 31/03/2017 | - | - | - | - | | |
| | | | | 31/03/2017 | | | | | 29812 | 0.21 |
| 10 | Veena Venkatesh Holalkeri CA | 00 | 00 | 31/03/2017 | | | | | | |
| | | | | 12/01/2018 | 18657 | Purchase | 18657 | 0.13 | | |
| | | | | 02/02/2018 | 2300 | Purchase | 20957 | 0.15 | | |
| | | | | 31/03/2018 | | | | | 20957 | 0.15 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name | Shareholding at the beginning of the year | | Date wise Change in shareholding | | | Cumulative Share holding during the year (01-04-17 to 31-03-18) | | Shareholding at the end of the year | |
|---------|--|---|----------------------------------|----------------------------------|--------------------------------------|-------------|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | Date | Increase / Decrease in Share holding | Reason | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Shri Mahesh Swarup Agarwal- Chairman Emeritus | 1900680 | 15.92 | 09/02/2018 | 594380 | Right Issue | 2495060 | 17.42 | - | - |
| | | - | - | - | - | - | - | - | 2495060 | 17.42 |
| 2 | Shri Manoj Agarwal- Managing Director | 914818 | 7.66 | 09/02/2018 | 232205 | Right Issue | 1147023 | 8.01 | - | - |
| | | - | - | - | - | - | - | - | 1147023 | 8.01 |
| 3 | Shri Shashank Agarwal - Deputy Managing Director | 707485 | 5.93 | 09/02/2018 | 179579 | Right Issue | 887064 | 6.19 | - | - |
| | | - | - | - | - | - | - | - | 887064 | 6.19 |
| 4 | Shri Sunil Mehta - Executive Director | - | - | - | - | - | - | - | - | - |
| 5 | Smt Usha Agarwal - Director | 1482471 | 12.42 | 09/02/2018 | 376295 | Right Issue | 1858766 | 12.97 | - | - |
| | | - | - | - | - | - | - | - | 1858766 | 12.97 |
| 6 | Shri Subodh Kumar - Director | - | - | - | - | - | - | - | - | - |
| 7 | Shri Prem Singh Khamesra - Director | - | - | - | - | - | - | - | - | - |
| 8 | Shri Sobhagya Mal Jain- Director | - | - | - | - | - | - | - | - | - |
| 9 | Dr. Ram Gopal Bagla - Director | - | - | - | - | - | - | - | - | - |
| 10 | Shri Akshay Kumar Gupta - Director | - | - | - | - | - | - | - | - | - |
| 11 | Shri Ankur Srivastava - Company Secretary | - | - | - | - | - | - | - | - | - |
| 12 | Shri Arvind Gunjan - CFO | - | - | - | - | - | - | - | - | - |

(V) Indebtedness

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

| (₹ in Lacs) | | | | |
|--|--|--------------------|----------------|-----------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 7876.92 | - | 247.00 | 8123.92 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 7876.92 | - | 247.00 | 8123.92 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 836.23 | - | - | 836.23 |
| • Reduction | - | - | (20.00) | (20.00) |
| Net Change | 836.23 | - | (20.00) | 816.23 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 8713.15 | - | 227 | 8940.15 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 8713.15 | - | 227 | 8940.15 |

(VI) Remuneration of Directors and Key Managerial Personnel

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

| (₹ in Lacs) | | | | | |
|------------------|---|--|--|---|---------------|
| Sl. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | | Total Amount |
| | | Shri Manoj Agarwal- Managing Director | Shri Shashank Agarwal- Deputy Managing Director | Shri Sunil Mehta- Executive Director | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 46.00 | 36.90 | 25.50 | 108.40 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 11.79 | 6.48 | 3.42 | 21.69 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | | | | |
| | - as % of profit | | | | |
| | - fixed performance incentive | 49.87 | 49.87 | 5.00 | 104.74 |
| 5. | Others, please specify | - | - | - | - |
| Total (A) | | 107.66 | 93.25 | 33.92 | 234.83 |

B. Remuneration to other Directors:

(₹ in Lacs)

| Sl. No. | Particulars of Remuneration | Name of other Non Executive Directors | | Name of Independent Directors | | | | | Total Amount |
|---|--|---------------------------------------|------------------|-------------------------------|-----------------|-------------------|---------------------|---------------------|---------------|
| 1. | Independent Directors | Shri M. S. Agarwal | Smt Usha Agarwal | Shri Akshay Kumar Gupta | Shri S. M. Jain | Shri Subodh Kumar | Dr. Ram Gopal Bagla | Shri P. S. Khamesra | |
| i. | • Fee for attending board / committee meetings | 1.07 | 0.87 | 1.08 | 0.87 | 1.14 | 1.16 | 0.70 | 6.89 |
| ii. | • Commission | - | - | - | - | - | - | - | - |
| iii. | • Reimbursement of Expenses (Others) | 24.00 | - | - | - | - | - | - | 24.00 |
| Total (1) | | 25.07 | 0.87 | 1.08 | 0.87 | 1.14 | 1.16 | 0.70 | 30.89 |
| Total Managerial Remuneration | | | | | | | | | 265.72 |
| Overall Ceiling as per the Companies Act, 2013 | | | | | | | | | 302.45 |

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

(₹ in Lacs)

| Sl. No. | Particulars of Remuneration | Company Secretary | CFO | Total |
|--------------|---|-------------------|---------------|--------------|
| | | Ankur Srivastava | Arvind Gunjan | |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 10.83 | 24.88 | 35.71 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | • Commission | | | |
| | - as % of profit | - | - | - |
| | - others, specify... | - | - | - |
| 5. | Others, please specify | - | - | - |
| Total | | 10.83 | 24.88 | 35.71 |

VII. Penalties / Punishment/ Compounding of Offences:

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

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

ANNEXURE- 'E' TO THE BOARDS' REPORT

Secretarial Audit Report

For the Financial Year Ended 31st March, 2018

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

To,
The Members,
Kanpur Plastipack Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KANPUR PLASTIPACK LIMITED** (hereinafter called "**The Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on March 31, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period);**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable :-

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period),** and
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- ix. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further report that, as per the Management Representation Letter for Secretarial Audit, there are no specific business/industry related laws applicable to the company.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii) The Listing Agreement as entered into by the Company with the Stock Exchanges.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that, in our opinion there exist adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, the same is needed to be further strengthened.

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

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

However, the Company has made Rights Issue of 23,87,774 partly paid up equity shares of ₹ 10/- each on Rights basis at issue price of ₹ 75/- each including a security premium of ₹ 65/- per share.

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

However, during the year the Company has redeemed its 20,00,000, 12% Redeemable Cumulative Preference Shares of ₹ 10/- each amounting to ₹ 2,00,00,000 at par.

- iii) No major decisions were taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv) No instances of Mergers/ Amalgamations/ Reconstruction etc
- v) No instances of Foreign Technical Collaboration.

Adesh Tandon & Associates
Company Secretaries

(Proprietor)
FCS No :2253
CP No :1121

Date: 13st August 2018
Place: Kanpur

ANNEXURE- 'F' TO THE BOARDS' REPORT**Corporate Social Responsibility (CSR) Policy**

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

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

Corporate Social Responsibility:

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

Guiding Principles:

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

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

CSR Policy:

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

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up oldage homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) Measure for the benefit of armed force veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympics sports;
- (viii) Contribution to the prime minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;

- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural Development projects.
- (xi) slum area development.

Manner of CSR Activity and its reporting

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

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

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

ANNEXURE- 'G' TO THE BOARDS' REPORT

Annual Report on CSR

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

| 1. | A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | | CSR Committee of the Company has decided to spend the amount of CSR, inter alia, on promoting health care and training and skill development activities. CSR policy is attached with the Directors report the same has also been uploaded on the website of the Company. Weblink of the same is given below: http://kanplas.com/wp-content/uploads/KPLCSR.pdf | | | | |
|--------|---|--|--|--|---|--|---|
| 2. | The Composition of the CSR Committee | | CSR Committee of the Company consists of 2 Independent Directors, 1 Non Executive Director and 1 Whole Time Director of the Company. The composition of the CSR Committee is as under: 1. Shri P. S. Khamesra, Chairman 2. Shri Subodh Kumar, Member 3. Smt Usha Agarwal, Member 4. Shri Shashank Agarwal, Member | | | | |
| 3. | Average net profit of the Company for last three financial years | | ₹2,172.28 Lacs | | | | |
| 4. | Prescribed CSR Expenditure (2% of the amount as in item no. 3 above) | | ₹43.45 Lacs | | | | |
| 5. | Details of CSR Spent during the financial year: | | | | | | |
| | (a) Total amount to be spent for the financial year | | ₹43.50 Lacs | | | | |
| | (b) Amount unspent, if any: | | Nil | | | | |
| | (c) Manner in which the amount spent during the financial year is detailed below: | | | | | | |
| S. No. | CSR Projects or Activities Identified | Sector in which the project is covered | Area of Projects or Programs 1. Local Area or other 2. Specify Location of the program | Amount outlay (budget) project or program wise (₹ in Lacs) | Amount spent on the projects or programs sub heads 1. Direct expenditure on projects or programs 2. overheads | Cumulative Expenditure upto 31-03-2018 (₹ in Lacs) | Amount Spent: Direct or Through implementing agency |
| 1. | Promoting Health Care (Medical Clinic) | Promoting health care including preventive health care | Self Medical Clinic: Situated at nearby location of factory: Village Nauriya Kheda | 15.00 | Direct expenditure on projects or programs | 17.40 | Direct |
| 2. | Health Checkup Camp | Promoting health care including preventive health care | Nearby locations of factory Village: Nauriya Kheda, Sarai Meta, Dabauli, Shyampur and Gajner Road | 3.50 | Direct expenditure on projects or programs | 2.02 | Direct |

| | | | | | | | |
|--------------|--|--|-----------------------------|--|--|--------------|---|
| 3. | Education expenses for poor family student | Promoting education | Nearby locations of Factory | 1.50 | Direct expenditure on projects or programs | 1.34 | Direct |
| 4. | Toilet Blocks, Tubewell boring to arrange safe drinking water | Promoting sanitation and safe drinking water | - | 2.00 | Direct expenditure on projects or programs | - | Direct |
| 5. | Training & Skill Development Programme | Promoting education and employment enhancing vocational skill among children and other society | Nearby locations of Factory | 19.50 | Direct expenditure on projects or programs | 19.85 | Through KPL Training and Skill Development center |
| 6. | Financial Support to needy/poor people. | Measures for reducing inequalities faced by socially and economically backward groups | Nearby locations of Factory | 1.00 | Direct expenditure on projects or programs | 2.30 | Direct |
| 7. | Eradicating hunger, poverty, malnutrition, financial support, distribution of shoes, clothes, blankets , tea , foods etc. to poor /needy people.(Misc) | Eradicating hunger, poverty, distribution of livelihood goods and malnutrition | Nearby locations of Factory | 1.00 | Direct expenditure on projects or programs | 0.69 | Direct |
| Total | | | | 43.50 | | 43.60 | - |
| 6. | Reasons for not spending 2% of the average net profit of last three financial years or any part thereof | | | n.a. | | | |
| 7. | Responsibility statement of CSR Committee | | | The implementation and monitoring of the CSR policy, is in compliance with CSR objectives and CSR policy of the Company. | | | |

For **Kanpur Plastipack Limited**

Date: 13th August, 2018
Place: Kanpur

(**Manoj Agarwal**)
Managing Director

(**Prem Singh Khamesra**)
Chairman CSR Committee

ANNEXURE- 'H' TO THE BOARDS' REPORT

Remuneration Policy

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

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

Basis of Formulation

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

- a. Educational/Technical skills, knowledge of industry
- b. employment scenario
- c. remuneration package in similar industry and
- d. remuneration package of the managerial talent in other industries.

1. Remuneration to the Members of the Board of Directors

I. Remuneration payable to Executive Directors

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

encashment facilities in accordance with rules of the Company and as may be mutually agreed with the Director concerned.

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

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

II. Remuneration payable to Non-Executive and Independent Directors

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

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

III. Remuneration payable to Chairman Emeritus

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

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

2. Remuneration payable to other KMPs and Senior Management personnel

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

CEO CFO Certificate

To
The Board of Directors
Kanpur Plastipack Limited

Dear Sir,

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Manoj Agarwal)
Managing Director/CEO

(Arvind Gunjan)
GM (Finance)/CFO

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Overview

After a long period of stagnation, economic activity rebounded in 2017 especially in the emerging markets and developing economies. Propelled by a spike in economic activity and boost in global demand, the world economy grew at an estimated rate of 3.8% in 2017 from 3.2% in 2016. During the year, the global trade also grew at a real growth rate of 4.9% in 2017 after tanking for two years.

Despite high volatility in the equity markets, the financial conditions were skewed on the positive side propelling growth. The core inflation surged in advanced economies, owing to an improvement in the overall demand of goods and services and

remained firm in the emerging economies because of stability in the value of the currency against US Dollars.

Outlook

The global economy is expected to grow at 3.9% in 2018 and remain consistent in 2019 due to growth in trade and investment activities coupled by recovery in commodity exports. The emerging and developing economies are expected to remain consistent on a strong growth curve due to rise in consumption and investment activities. (Source: IMF)

| Country | | Growth Rate (in %) | | |
|----------------|--|--------------------|---------|----------|
| | | CY 2017 | CY 2018 | CY 2019* |
| United States | Advanced Economy | 2.3 | 2.9 | 2.7 |
| United Kingdom | Advanced Economy | 1.8 | 1.6 | 1.5 |
| Japan | Advanced Economy | 1.7 | 1.2 | 0.9 |
| China | Emerging Market and Developing Economy | 6.9 | 6.6 | 6.4 |
| Brazil | Emerging Market and Developing Economy | 1.3 | 2.0 | 2.8 |

* Projected
(Source: IMF WEO April 2018)

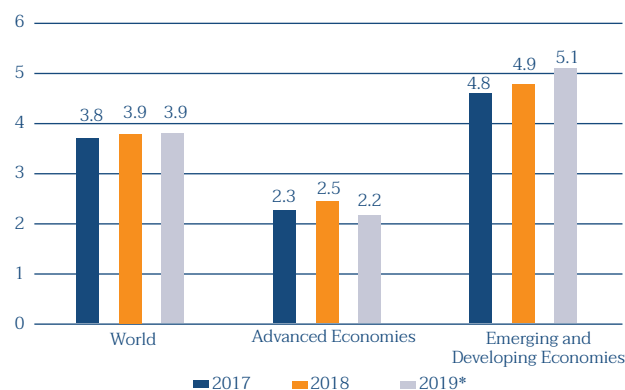
4.9%

Real Growth Rate of global trade in 2017

3.9%

Expected grow rate of global economy in 2018

World Output (in %)



* Projected
(Source: IMF WEO April 2018)

Indian Economy Overview

During 2017-18, the economy noted a progressive growth trajectory, starting off with a moderate growth rate eventually accelerating to touch the mark of 7.7% in the last quarter leading to an overall average growth rate of 6.7%. India remained one of the fastest growing economies in the world in the year.

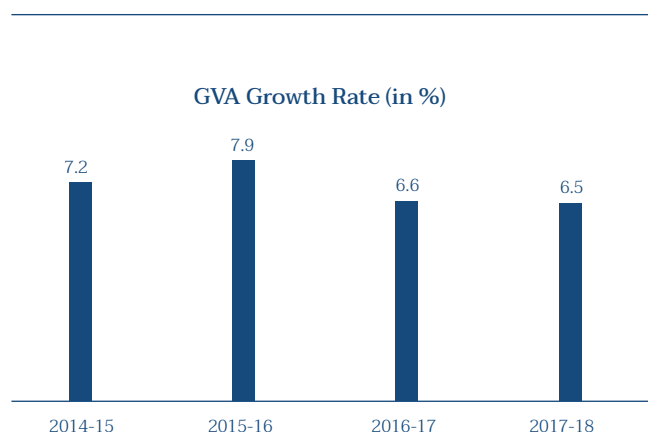
Since the past few years, the economy is experiencing a robust structural change leading to short-term challenges with long-term benefits. Post a remarkable growth at the rate of 7% in 2016-17, the economy faced a deceleration in economic activities and investments for a very short-term due to demonetisation. However, the short-lived deceleration was followed by structural reformations in the indirect taxation structure. The introduction of the "Goods and Services Tax" came along with a promise of long-term benefits to the economy against a trade-off of growth in the short-term. As the technical and operational glitches in the GST system gradually get ironed out we would be on track to reap its benefits.

Outlook

The outlook for the economy forecasts a boost in the growth rate by 100 bps to 7.6% during 2018-19, propelled by an expected strong private investment coupled by favourable outcomes of the reformations taken in the past. The expectation of stability in the global economy improves the odds of vigorous growth. (Source: Economic Survey of India)

6.7%

India's GDP in FY 2017-18



(Source: Economic Survey of India)

Jumped

30 Positions

to reach

100th Position

in Ease of Doing Business Index by World Bank

Indian Export Overview

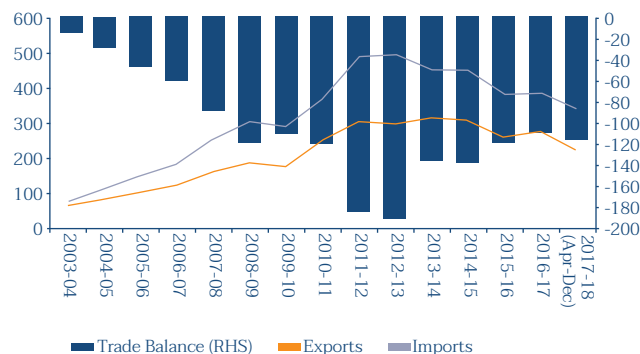
After continuous tanking, the exports of goods and services emerged out of the negative to positive rate during FY17 and gaining momentum in FY18. In the first half of 2016-17, there was a negative growth of 1.3% in exports whereas in the second half, the exports spiked up to 5.2%.

India is the fifth largest exporter in the world after US, China, Japan, Germany and Britain with exports capturing 18% of current GDP, amounting to an estimated \$302.8 billion. The exports from India grew by 9.8% during 2017-18 attaining the highest growth rate in the past 6 years while imports surged by 20% owing to commodity prices pushing up the value of shipments in and out of the country along with a pick-up in global trade

"The government is planning to launch a comprehensive strategy to expand its export share to 40% of an expected \$5.0 trillion GDP by 2025 with the help of increase in manufacturing activities."

(Source: Economic Survey of India, Economic Times)

Exports, Imports and Trade Deficit (US\$ billion)



Note : For 2016-17 and 2017-18 figures are provisional.

Source : Ministry of Commerce and Industry

India is

5th

Largest Exporter in FY 2017-18

\$302.8 billion

Total Exports in FY 2017-18

18%

Export's share in India's GDP

Sectorial Impact

Plastic

The plastic industry of India registered a growth of 17.1% touching the mark of US \$8.85 billion during the year 2017-18 from US \$7.56 billion in 2016-17 registering a stronger growth as compared to the overall merchandise exports which noted a growth of only 9.9% from US \$275.9 billion to US \$303.3 billion.

The exports of plastics formed 2.92% of India's overall merchandise exports in the current year gaining a marginal rise of 180 bps than the previous year. The boost in exports was primarily due to an increase in exports of plastic raw materials and value-added plastic products like woven sacks/FIBC, plastic sheets, optical items etc, mainly to United States, China, UAE etc who account for 25.7% of India's plastic product exports by value.

The "Plastic Export Promotion Council" has achieved the target of exporting goods worth US \$1 billion to United States and is planning to export goods with an overall value of US \$10.6 billion by 2025. The council is aiming to expand the country's share of exports in global plastic market to 3.0% from a meagre rate of 1.0% currently.

At present, the country ranks among top five consumers of polymers in the world with about 30,000 plastic processing units generating employment to more than 40-lakh people across the country.

"With increase in demand, the government intends to set up 18 plastic parks with an investment of ₹ 400 crore to propel domestic production of plastics."

(Source: PLEXCONCIL)

\$8,850.18 million

Exports of Plastic and its products were made during FY 2017-18

United States

Leads as the export destination for Plastic and its products

FIBC

FIBC's are industrial bulk packaging products finding applications in the bulk packaging of Food Stuffs, Chemicals, Minerals, Agricultural products and even building materials. The global FIBC market is expected to grow at a compounded annualized rate of over 6% p.a. over the next five years. In the backdrop of strong growth coupled by the shutdown of production facilities in the advanced economies, Indian FIBC industry is expected to grow robustly in the coming years. (Source: Prnewswire)

23.60%

Growth in Exports from India during FY 2017-18

\$715.68 million

Exports of Woven Sacks/FIBC from India during FY 2017-18

Multifilament Yarn

MFY is used for the weaving of specialized fabric and stitching of Bags. Made up of polypropylene, Multifilament Yarn is used across industries due to its high tenacity. The yarn is available in eye-appealing colours and are easily customisable. Such yarns are also water resistant. Multifilament Yarn is used in manufacturing ropes, elastic band, safety net and narrow woven fabric among others. With textiles being a growth-oriented sector MFY will find robust demand and good potential.

Solar Energy

Indian Solar Energy market has been growing unprecedentedly over last four years. During FY 2017-18, India's utility of solar capacity grew by more than 70% over the previous year, installing around 9.1GW of utility solar as compared to 5.5 GW in the previous year. The total solar installation summed up to 10.4 GW, leading the

country's cumulative capacity to 24.4 GW. India has declared an ambitious target of 1 lakh MW of solar capacity by 2022. So there is an expectation of rise in capacity in 2018-19 as well. (Source: Ministry of New and Renewable Energy)

72%

Growth in India's utility of solar capacity as compared to the previous year.

10.4 GW

Solar Installation in FY 2017-18

24.4 GW

Cumulative Solar Capacity in India till FY 2017-18

Company Overview

The Company has consistently transformed the face of FIBC products through innovation in the sector. Driven by the relation led and quality based marketing mantra, the company is supported by its low cost manufacturing, quality products and wide distribution network. Operating in about 30 countries, it enjoys a strong presence in West Europe and USA with majority of revenue through exports. It is one the leading exporters of India who has received a Two Star Export House status from the Ministry of Commerce and Industry. It is an ISO Certified unit having ISO 9001:2008 accreditation for quality management systems and ISO 22000: 2005, BRC and AIB Certification for food safety management system to manufacture and supply certified food grade bags for domestic and international markets.

The Company has undertaken a substantial major Greenfield project at a new premises at Gajner Road, Fatehpur Roshnai District, Kanpur Dehat. The Company is gearing to rollout this ambitious project which will be instrumental in substantial expansion of the existing capacities and consolidation of operations. The new capacities will partly come into effect in FY 18-19.

The Company is additionally investing further in ramping up its MFY capacity with a plan to almost double up the capacity and shall be set up over the next year and a half. The first plant of which will be commissioned in Q2 FY19.

Financial Performance

The operational excellence exercise undertaken in the recent years started yielding results which enable the company to close the FY 2017-18 with better result. As a result the FY closed with hike of the 16% hike in Turnover and 17% hike in Net profits of the Company.

Revenue from Operations

The Company's revenue from operations stood at ₹ 28,366.03 lacs in FY 2017-18 against ₹ 24,510.15 lacs in FY 2016-17 indicating a rise by 15.73%.

Other Income

During the year under review, the other income stood at ₹ 154.47 lacs as compared to ₹ 124.54 lacs, rising by 22.42%.

Finance Costs

The Company recorded a downfall in the finance costs by 6.01% from ₹ 678.83 lacs in FY 2016-17 to ₹ 640.31 lacs in FY 2017-18.

Profit after Tax

Profit after Tax stood at ₹ 1,691.85 lacs in FY 2017-18 against ₹ 1,446.31 lacs in FY 2016-17 representing a rise by 16.98%.

| Particulars | As at 31 st March, 2018 (₹ In lacs) | As at 31 st March, 2017 (₹ In lacs) | Variation % |
|-------------------------------|---|---|----------------|
| Property, Plant and Equipment | 7,824.87 | 7,320.33 | 6.89 |
| Trade Receivables | 5785.97 | 5202.93 | 11.21 |
| Equity Share Capital | 1,331.27 | 1,193.88 | 11.51 |
| Long term Provision | 506.89 | 469.23 | 8.03 |
| Borrowings | 5,520.24 | 6,073.87 | 10.03 |

Segment wise performance

The company is engaged in the following business segments:

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

| Product | (Quantity of Sales in MT) | | |
|---------------------------------|---------------------------|---------|---------|
| | 2015-16 | 2016-17 | 2017-18 |
| FIBC | 10308 | 9311 | 9619 |
| Small Bags | 449 | 418 | 392 |
| Fabrics/Liner/ Granules etc. | 4518 | 3515 | 3969 |
| MFY | 2106 | 2106 | 2478 |

FIBC and Multifilament Yarn

The continued emphasis of the Management is on exports of value added products and expanding the geographical reach of its export market. The improved economic scenario of the developed world will allow the Company to leverage this opportunity.

The company has undertaken a major project to surge its capacity by setting up of new facilities and by also working on the increased capacity utilisation. It also aims to consolidate operations and expand its business by developing new value added products for its customers.

In the coming years, to follow the growth momentum and to take a great leap forward, the Company is gearing to rollout soon this ambitious project which will be instrumental in substantial expansion of the existing capacities and consolidation of operations. The new capacities will come into effect in FY 18-19.

Trading of Plastic Granules

The company has been operating as Dealer Operated Polymer Warehouse of Indian Oil Corporation Limited. The performance of this division is steady and it continues to add to the profitability of the company, with more petrochemical producers coming into the market the growth in this segment has got stagnated.

Solar Energy

The Company has an installation of 506 KW of roof top solar power generation system, being a pioneer of the region for this initiative. During the year 2017-18 around 5 Lacs units of solar energy were produced reducing the carbon foot print by about 8 Lacs Kg.

SWOT Analysis

Strengths

- ☞ The company is well placed in the industry with a high utilisation levels, helping it to capitalize the market opportunities and grow at a consistent pace.
- ☞ There is an optimum combination of huge experience and passionate workforce i.e. a combination of 3 generation within the Company and dedicated employees who are provided with required training to help them learn and grow.
- ☞ The company has end to end integration that allows it to have complete control over quality, technical services, design, manufacturing, and deliveries.

Weakness

- ☞ The company had faced capacity constraints from FY2016 to FY2018- to overcome this, a major project was undertaken which will be instrumental in substantial expansion of the existing capacities and consolidation of operations. The new capacities will come into effect in FY 18-19.

Opportunities

- ☞ Venturing in new geographies with increasing economy and industrial growth augur well for the company's products in the near short-term
- ☞ The recovery in North America and in Europe will open up a huge market for the bulk bags industry.

Threats

- ☞ Global trade wars can pose a challenge to international trade impacting the company.
- ☞ Competition from new players within the country poses a threat.

Risk Management

| Risk | Definition | Impact on company |
|----------------------------------|--|-------------------|
| Economy Risk | This risk comprises of the volatility that might take place in the economy. This includes change in RBI interest rates, downfall in particular sectors, a sudden crash in stock market, etc. | Medium |
| Client Concentration Risk | Client Concentration Risk is the degree to which the company is dependent on its' top clients for revenue. | Low |
| Currency Risk | Currency risk involves the volatility in currencies of the countries where the company deals. | High |
| Raw Material Risk | Raw material risk is the extent to which the company is affected by an increase in the prices of raw materials. | Medium |

Economy Risk

The company has a presence in 30 countries across the globe which helps it to be a part of different economies in world. This helps the company to deal with the economy risk such as increase in interest rates of economies. The wide presence of the company helps it to serve different geographies across the world with different regulatory and political environments.

Raw Material Risk

The key raw materials used by the company are PP and LDPE granules, the price of which are very volatile due to instability in the prices of crude oil. The company is thus exposed to face this risk. Management of the company monitors the prices of its key raw materials and takes decisions after acquiring adequate information about raw material prices. Purchases and inventory are thus maintained on a regular basis.

Client Concentration Risk

The company has a well-established client base. Top five clients of the company contribute 46% to the company's revenue, next top five contributes 16% of the revenue, and 38% comes from remaining clients. Thus, the revenue of the company is well distributed among the different clients all over the world and not concentrated on any single client or country. Therefore, any adverse action by any client will not majorly affect the company.

Currency Rate Risk

As an export oriented unit an almost [1% of the Company's sales are in Foreign Currency across all three major Currencies viz – US\$, Euro and GBP and is exposed to substantial risk of change in foreign exchange rates. The company manages it through a documented Forex Policy and hedging of currency, where the management uses forward contracts to hedge the risk and reviews its exposure on a regular basis. The company not only exports but it also imports its raw materials which act as a natural hedge.

Internal Control System

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

Human Resource Development

Human resource is the most important resource in management and needs to be used efficiently. The Company views its employees as most valuable assets who are the key element in the growth, prosperity and development of the organization. The Company is committed to provide necessary training / conducts development programmes to imbibe necessary skills required within the employees. The management of the Company enjoys cordial relations with its employees at all levels. As on 31.03.2018, Kanpur Plastipack has a team of 878 employees.

Cautionary Statement

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



FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To
The Members of
Kanpur Plastipack Limited
Kanpur.

Report On The Standalone Ind-As Financial Statements

We have audited the accompanying standalone Ind-AS financial statements of **Kanpur Plastipack Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement for the year then ended, the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information, (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility For The Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind-AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss, (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind-AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind-AS financial statements.

Other Matter

Incoming auditor to audit comparative information for adjustments to transition to Ind AS16

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance as at 01st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the

predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 29th May, 2017 and 23rd May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind-AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report On Other Legal And Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we attach in "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by Section 143 (3) of the Act, we report that:
 - a We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes in Equity dealt with by this Report are in agreement with the books of account.
 - d In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Accounting

Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rule, 2015, as amended;

- e On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, reference is invited towards our separate report in "Annexure B".
- g With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Rajiv Mehrotra
(Partner)
M.no.071428

Kanpur, 14th May, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

Re: Kanpur Plastipack Limited, we report that:

- (i) a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The company has a regular programme for physical verification of all assets over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, it is reasonable having regard to the size of the company and the nature of its assets.
- c. According to the information and explanations given to us and the records examined by us and based copies on the registered sale deeds/transfer deeds etc. evidencing title in immovable properties which are freehold, we report that the immovable properties capitalized in the books of account of the company are held in its name. The Original title deeds, being pledged against loans secured from the bank, were not in possession of the company and therefore could not be verified.
- (ii) a. As explained to us, the inventory has been physically taken by the management during the year at various locations. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification of stock verified.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (iii) The company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Companies Act 2013.

- (iv) In Our opinion and according to the information and explanations given us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits. As per the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or Tribunal.
- (vi) In our opinion and according to the information and explanations given to us, the company is liable for maintenance of cost records u/s 148 of the Companies Act, 2013 and the company is maintaining such records on a regular basis, as specified under the Companies (Cost Records & Audit) Rules 2014.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, income tax, sales tax, wealth tax, service tax, & customs duty and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, customs duty, VAT, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) As per the information and explanations given to us and on the basis of the verification of the records of the company, the details of statutory dues which have not been deposited on account of disputes are as under:

| Name of the Statute | Nature of dues | Pending Amount ₹ in Lakhs | Period to which amount relates | Forum where dispute is pending | Remarks |
|-----------------------------|--|---------------------------|--------------------------------|--|---|
| Central Excise | Rebate claims. | 28.90 | FY 2012-13 & 2013-14 | Additional Secretary to Govt. Of India | First Appeal filed by Departmental before the Commissioner (Appeal) was dismissed. The Revenue thereafter filed further Appeal |
| -- do -- | -- do -- | 160.00 57.00 | 2009-13 | Asstt. Commissioner, Central Excise, Kanpur. | In addition, claims of ₹55.31 Lakhs filed by the company are with-held on similar grounds. |
| Central Sales Tax Act, 1956 | Central Sales Tax | 0.53 | FY 2009-10 | Allahabad High Court | The total demand raised was ₹3.52 lakhs. An amount of ₹2.99 lakhs stands deposited under protest. |
| Central Sales Tax Act, 1956 | Central Sales Tax | 0.23 | FY 2010-11 | Jt. Commissioner, Corporate Circle-1, Kanpur | The total demand raised was ₹2.69 lakhs. An amount of ₹2.45 lakhs stands deposited under protest. The matter has been decided in the company's favour and remanded to the Assessing Authority for consideration by the Commissioner (Appeals) |
| Income Tax | Tax determined upon post-search assessment | - | AY 2012-13 | The ITAT, Lucknow | Amount deposited under protest- ₹104.58 Lakhs |
| Income Tax | Penalty u/s 271AAA | Not yet quantified | AY 2012-13 | The ITAT, Lucknow | The quantum of penalty is dependent on the outcome of the Appeal against Quantum proceedings referred to the preceding para. |

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

ix In our opinion and according to the information and explanations given to us, the company has applied term loans for the purposes for which the same were availed. The company has raised funds through a Rights issue during the year for expansion. On the basis of the books of account and records of the company, in our opinion the application of the funds raised is in accordance with the terms and conditions of the issue.

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

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

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

xiii In our opinion and according to the information and explanations given to us, the company has complied with

Sections 177 and Section 188 of the Companies Act, 2013, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company. The company has however made a Rights Issue to existing shareholders, which has been covered under clause (ix) above.

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

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

For **Rajiv Mehrotra & Associates**

Chartered Accountants
Firm Reg.no.002253C

Rajiv Mehrotra

(Partner)

Kanpur, 14th May, 2018

M.no.071428

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

Report On The Internal Financial Controls Under Section 143(3)(I) Of The Companies Act, 2013 (“The Act”)

We have audited the internal financial controls over financial reporting of Kanpur Plastipack Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

Opinion

In our opinion, to the best of our information, and according to the explanations given to us, the company has, in all material aspects, an adequate internal financial controls' system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st

2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note of Audit of International Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rajiv Mehrotra
(Partner)
M.no.071428

Kanpur, 14th May, 2018

BALANCE SHEET

as at 31st March, 2018

₹ in Lacs

| Particulars | Note No. | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
|--|----------|------------------------------------|------------------------------------|------------------------------------|
| ASSETS | | | | |
| Non-Current Assets : | | | | |
| Property, Plant and Equipment | 3 | 7,824.87 | 7,320.33 | 6,961.81 |
| Capital Work-in-Progress | 3 | 3,542.33 | 296.92 | 152.01 |
| Other Intangible Assets | 3 | - | - | 7.22 |
| | | 11,367.20 | 7,617.25 | 7,121.04 |
| Investments | 4 | - | 6.09 | 6.36 |
| Other Financial Assets | 5 | 361.41 | 311.62 | 320.49 |
| Other Non-Current Assets | 6 | 162.35 | 110.22 | 71.32 |
| | | 523.76 | 427.93 | 398.17 |
| Current Assets : | | | | |
| Inventories | 7 | 4,035.24 | 3,986.07 | 2,903.39 |
| Investments | 8 | 355.46 | 607.62 | - |
| Trade Receivables | 9 | 5,785.97 | 5,202.93 | 4,449.05 |
| Cash and Cash Equivalents | 10 | 14.47 | 16.11 | 33.05 |
| Other Bank balances | 11 | 51.94 | 40.35 | 48.70 |
| Other Current Assets | 12 | 815.46 | 1,360.90 | 1,205.28 |
| | | 11,058.54 | 11,213.98 | 8,639.47 |
| TOTAL ASSETS | | 22,949.50 | 19,259.16 | 16,158.68 |
| EQUITY & LIABILITIES : | | | | |
| Equity : | | | | |
| Equity Share capital | 13 | 1,313.27 | 1,193.88 | 795.92 |
| Other Equity | 14 | 9,147.53 | 7,046.78 | 6,112.85 |
| Equity Attributable to Owners | | 10,460.80 | 8,240.66 | 6,908.77 |
| Liabilities : | | | | |
| Non-current liabilities | | | | |
| Financial Liabilities : | | | | |
| (i) Long Term Borrowings | 15 | 2,783.70 | 1,254.16 | 1,496.33 |
| (ii) Other Financial Liabilities | 15 | - | - | 200.00 |
| Long Term Provisions | 16 | 506.89 | 469.23 | 437.80 |
| Deferred Tax Liabilities | 17 | 868.51 | 820.26 | 740.91 |
| | | 4,159.10 | 2,543.65 | 2,875.04 |
| Current Liabilities : | | | | |
| Financial Liabilities : | | | | |
| Borrowings | 18 | 5,520.24 | 6,073.87 | 4,334.83 |
| Trade Payables | 19 | 894.99 | 482.84 | 598.70 |
| Provisions | 20 | 391.80 | 367.10 | 316.15 |
| Other Current Liabilities | 21 | 1,522.57 | 1,551.04 | 1,125.19 |
| | | 8,329.60 | 8,474.85 | 6,374.87 |
| TOTAL EQUITY & LIABILITY | | 22,949.50 | 19,259.16 | 16,158.68 |
| Significant Accounting Policies and Notes to Accounts | 1-2 | | | |

The accompanying schedules form an integral part of the accounts.

As per our report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

(PARTNER)

RAJIV MEHROTRA
M.No.071428

Place: Kanpur

Dated : 14th May, 2018

For and on behalf of the Board of Directors

ARVIND GUNJAN
Chief Financial Officer

ANKUR SRIVASTAVA
Company Secretary

MANOJ AGARWAL
Managing Director

SHASHANK AGARWAL
Deputy Managing Director

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2018

₹ in Lacs

| Particulars | Note No. | Year ended 31 st March 2018 | Year ended 31 st March 2017 |
|--|----------|---|---|
| Revenue from operations | 22 | 28,366.03 | 24,510.15 |
| Other income | 23 | 152.47 | 124.54 |
| Total Income | | 28,518.50 | 24,634.69 |
| Expenses | | | |
| Cost of materials consumed | 24 | 15,368.84 | 13,336.33 |
| Purchase of stock-in-trade | 25 | 882.81 | 129.74 |
| Changes in inventories of Finished Goods, Stock in Trade and Work in Progress | 26 | (432.09) | (458.57) |
| Employee benefit expense | 27 | 2,705.54 | 2,205.98 |
| Depreciation and amortisation expense | 3 | 410.64 | 418.86 |
| Other Expenses | 28 | 6,408.00 | 6,009.81 |
| Finance Costs | 29 | 640.31 | 678.83 |
| Total Expenses | | 25,984.05 | 22,320.98 |
| Profit/(Loss) before Exceptional Items, Share of Net Profits of Investments accounted for using Equity Method and Tax | | 2,534.45 | 2,313.71 |
| Share of Net Profits of Associates & Joint Ventures accounted for using Equity Method | | - | - |
| Profit before Exceptional Items & Tax | | 2,534.45 | 2,313.71 |
| Exceptional items | | - | - |
| Profit/(Loss) before Tax | | 2,534.45 | 2,313.71 |
| Income Tax Expense | | | |
| Current tax | | 792.00 | 773.00 |
| Earlier Year Tax Adjustments | | 2.35 | 15.05 |
| Deferred tax | | 48.25 | 79.35 |
| Profit/(Loss) for the period from Continuing Operations | | 1,691.85 | 1,446.31 |
| Discontinued Operations | | | |
| Profit from Discontinued Operations before Tax | | - | - |
| Tax Expense of Discontinued Operations | | - | - |
| Profit from Discontinued Operations | | - | - |
| PROFIT/(LOSS) FOR THE YEAR | | 1,691.85 | 1,446.31 |
| Other Comprehensive Income | | | |
| A. Items that may be reclassified to profit or loss | | - | - |
| Income Tax relating to these Items | | - | - |
| B. Items that will not be reclassified to profit or loss (Gratuity Provision debited in P&L A/C) | | 68.09 | 61.83 |
| Income Tax relating to these Items | | - | - |
| Other Comprehensive Income for the Year (Net of Tax) | | 68.09 | 61.83 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 1,623.76 | 1,384.48 |
| Earnings per Share (for continuing operations) | | | |
| Basic EPS | | 13.36 | 11.60 |
| Diluted EPS | | 13.13 | 11.60 |
| Earnings per Share (for discontinued operations) | | | |
| Basic EPS | | - | - |
| Diluted EPS | | - | - |
| Earnings per Share (for discontinued & continuing operations) | | | |
| Basic EPS | | - | - |
| Diluted EPS | | - | - |

The accompanying schedules form an integral part of the accounts.

As per our report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

(PARTNER)

RAJIV MEHROTRA
M.No.071428

Place: Kanpur

Dated : 14th May, 2018

For and on behalf of the Board of Directors

ARVIND GUNJAN
Chief Financial Officer

ANKUR SRIVASTAVA
Company Secretary

MANOJ AGARWAL
Managing Director

SHASHANK AGARWAL
Deputy Managing Director

CASH FLOW STATEMENT

for the year ended 31st March, 2018

₹ in Lacs

| Particulars | Year ended 31 st March 2018 | Year ended 31 st March 2017 |
|--|---|---|
| I) CASH FROM OPERATIONS | | |
| A. PROFIT BEFORE TAX | 2,534.45 | 2,313.71 |
| B. ADJUSTMENTS: | | |
| Depreciation | 410.64 | 418.86 |
| Provision for Gratuity under OCI | (68.09) | (61.83) |
| Loss/(Profit) on disposal of PPE, intangible assets & non-current assets held for sale | - | 39.91 |
| Interest Income | (99.32) | (112.13) |
| Finance Costs(cluding fair value change in financial instruments) | 640.31 | 678.83 |
| Loss/(Profit) on sale of mutual funds | (16.44) | (10.89) |
| Gain on Revaluation of Investments | (35.46) | - |
| Other adjutments | 6.09 | 7.20 |
| Operating Profit Before working capital changes | 3,372.18 | 3,273.66 |
| Adjustments for Changes in Working Capital | | |
| Decrease/(Increase) in Inventories | (49.17) | (1,082.68) |
| Decrease/(Increase) in Trade Receivable | (583.04) | (753.88) |
| Decrease/(Increase) in Loans & Advances | - | - |
| Decrease/(Increase) in other Current Assets | 545.44 | (155.62) |
| Decrease/(Increase) in other Non Current Assets | (52.13) | (38.90) |
| Decrease/(Increase) in other Financial Assets | (49.79) | 8.87 |
| Increase/(Decrease) in Trade Payables | 412.16 | (115.85) |
| Increase/(Decrease) in Current Liabilities | (28.47) | 425.85 |
| Increase/(Decrease) in Non Current Liabilities | - | (200.00) |
| Increase/(Decrease) in Provisions | 24.70 | 50.95 |
| Increase/(Decrease) in Long term Provisions | 37.66 | 31.43 |
| Cash Generated from/(used) in Operations | 3,629.54 | 1,443.83 |
| Less: Income Tax Paid (including TDS) | 794.35 | 788.05 |
| NET CASH FROM OPERATIONS | 2,835.19 | 655.78 |
| II) CASH FROM INVESTING ACTIVITIES | | |
| Purchase of PPE & Intangible assets (incl. Capital WIP) | (4,160.59) | (987.85) |
| Other Investments | - | 0.27 |
| Investments in Mutual Funds (Net) | 304.06 | (596.73) |
| Sale of PPE & Intangible assets | - | 25.65 |
| Investment in Immovable property | - | - |
| Interest Received | 99.32 | 112.13 |
| Dividend received | - | - |
| NET CASH FROM/USED IN INVESTMENT ACTIVITIES | (3,757.21) | (1,446.53) |

CASH FLOW STATEMENT

for the year ended 31st March, 2018

₹ in Lacs

| Particulars | Year ended 31 st March 2018 | Year ended 31 st March 2017 |
|--|---|---|
| III) CASH FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of share capital | 855.02 | - |
| Proceeds from long term borrowings | 2,234.85 | 432.83 |
| Repayment of long term borrowings | (705.31) | (675.00) |
| Proceeds from short term borrowings | - | 1,739.04 |
| Repayment of short term borrowings | (553.63) | - |
| Payment of dividend including dividend distribution tax | (258.64) | (52.59) |
| Finance Costs | (640.31) | (678.83) |
| NET CASH FROM FINANCING ACTIVITIES | 931.98 | 765.45 |
| Net Increase in cash and cash equivalents | 9.96 | (25.30) |
| Cash and Cash equivalents as at the beginning of the year | 56.45 | 81.75 |
| Cash and Cash equivalents as at the end of the year | 66.41 | 56.45 |

Notes :

- The Cash Flow Statement has been prepared in accordance with the "Indirect Method" specified in the Ind-AS-7- "Statement of Cash Flows"
- Cash & Cash equivalents comprise cash balances and balances with banks, including current deposit account and short term fixed deposits having original maturity period of three months only.

The accompanying schedules form an integral part of the accounts.

As per our report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
 CHARTERED ACCOUNTANTS
 FIRM REG.NO.002253C

(PARTNER)

RAJIV MEHROTRA
 M.No.071428

Place: Kanpur

Dated : 14th May, 2018

For and on behalf of the Board of Directors

ARVIND GUNJAN
 Chief Financial Officer

ANKUR SRIVASTAVA
 Company Secretary

MANOJ AGARWAL
 Managing Director

SHASHANK AGARWAL
 Deputy Managing Director

STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2018

A. Equity Share Capital

| | | ₹ in Lacs |
|--|--------------------|-----------------|
| Balance at the beginning of the reporting period | Nos. | Amount |
| As at April 1st 2016 | 79,59,247 | 795.92 |
| Add: Equity shares Issued | 39,79,624 | 397.96 |
| As at March 31st 2017 | 1,19,38,871 | 1,193.88 |
| Add: Equity shares Issued | 23,87,774 | 119.39 |
| As at March 31st 2018 | 1,43,26,645 | 1,313.27 |

B. Other Equity

| Particulars | Reserves and Surplus | | | | ₹ in Lacs |
|---|----------------------|-----------------|---------------|-----------------|-----------------|
| | Capital | Securities | General | Retained | TOTAL |
| | Redemption Reserve | Premium Reserve | Reserves | Earnings | |
| As at April 1st 2016 | - | - | 324.33 | 5,788.52 | 6,112.85 |
| Net Profit for the Year | - | - | - | 1,384.48 | 1,384.48 |
| Dividends | | | | | |
| Interim dividend | - | - | - | - | - |
| Final Dividend | - | - | - | (47.76) | (47.76) |
| Corporate Dividend Tax | - | - | - | (4.83) | (4.83) |
| Transfer from retained earnings to general reserve | - | - | - | - | - |
| Addition on issue of Equity | - | - | - | - | - |
| Issue of Bonus Shares | - | - | - | (397.96) | (397.96) |
| As at March 31st 2017 | 0.00 | 0.00 | 324.33 | 6,722.45 | 7,046.78 |
| Net Profit for the Year | - | - | - | 1623.76 | 1,623.76 |
| Dividends | | | | | - |
| Interim dividend | - | - | - | - | - |
| Final Dividend | - | - | - | (214.90) | (214.90) |
| Corporate Dividend Tax | - | - | - | (43.74) | (43.74) |
| Transfer from retained earnings to general reserve | - | - | - | - | - |
| Addition on issue of Equity | - | - | - | - | - |
| Transfer from General Reserve to Capital Redemption Reserve | 200.00 | - | (200.00) | - | - |
| Premium Received During the Year | - | 776.03 | - | - | 776.03 |
| Expense Incurred on Right Issue | - | (40.40) | - | - | (40.40) |
| As at March 31st 2018 | 200.00 | 735.63 | 124.33 | 8,087.57 | 9,147.53 |

The accompanying schedules form an integral part of the accounts.

As per our report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

(PARTNER)

RAJIV MEHROTRA
M.No.071428

Place: Kanpur

Dated : 14th May, 2018

For and on behalf of the Board of Directors

ARVIND GUNJAN
Chief Financial Officer

ANKUR SRIVASTAVA
Company Secretary

MANOJ AGARWAL
Managing Director

SHASHANK AGARWAL
Deputy Managing Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note no.1 Company Overview & Significant Accounting Policies

Company Overview

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

The company is a star export house, engaged in manufacturing of HDPE/PP Woven Sacks, PP Box Bags, Flexible Intermediate Bulk Containers (FIBC's), Fabrics and High Tenacity PP. The company is also a Consignment Stockiest of M/s Indian Oil Corporation Limited. and owns and operates solar power generation facility at A1-A2 Unit of the Company. The company is in the process of expanding its manufacturing capacity and has also raised capital through a Rights Issue during the year.

These Financial Statements were authorized by the Board of Directors for issue in accordance with the Resolution passed on May 14th, 2018.

Note no.2 Significant Accounting Policies

1.1 Basis of Preparation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Acts and Rules thereunder. For all the periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first financial statements, which have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standard) Rules, 2015. An explanation of how the transition to Ind-AS has effected the reported financial position, financial performance and cash flows of the company is contained in Note No.36, wherein complete reconciliation of the Accounts as per previous GAAPs and as per Ind-AS is given.

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

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

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

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

1.2 Current v. Non Current classification:

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

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

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

All other assets are classified as non-current.

(b) A liability is current when:

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

All other liabilities are classified as non-current.

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

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

1.3 Use of Estimates, Assumptions and Judgements:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

financial statements and the results of operations during the year. Differences between actual results and estimates are recognised in the year in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments:

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

i. Operating lease commitments — Company as lessee

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

ii. Recoverability of Debts/advances

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

Estimates:

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

i. Taxes, including Evaluation of recoverability of

Deferred tax assets:

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

ii. Gratuity benefit:

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

iii. Fair value measurement of financial instrument:

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

iv. Warranty provision/Quality Claim

Provision for quality claims is determined based on the historical percentage of claims expense to sales for the same types of goods for which the claim is currently being determined. The same percentage to the sales is applied for the current accounting period to derive the expected claim expense to be accrued. It is adjusted to account for unusual factors, if any. It is very unlikely that actual claims will exactly match the historical

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence.

1.4 Property, Plant and Equipment

- i) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- ii) The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes, if any), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- iii) Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- iv) Spare parts which meet the definition of Property, plant and equipment are capitalized as Property, plant and equipment. In other cases, the spare parts is inventorised on procurement and charged to Statement of Profit and Loss on consumption.
- v) An item of Property, plant and equipment and any significant part initially recognised separately as part of Property, plant and equipment is de-recognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets is included in the Statement of Profit and Loss on consumption.
- vi) The residual value and useful lives of Property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.
- vii) The Company has elected to use exemption available under Ind AS 101 to continue with the carrying value for all its Property, plant and equipment as recognised in the financial statements as at the date of transition to Ind-ASs, measured as per previous GAAP and use that as its deemed cost as at the date of transition (1st April, 2016).
- viii) Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

ix) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

1.5 Inventories:

- i. **Basis of Valuation:** Inventories are stated at lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.
- ii. **Method of Valuation-** Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

The inventories have been physically taken by the management periodically.

1.6 Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding central taxes or duties collected on behalf of the Government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Amounts disclosed are net of returns, trade discounts, rebates, but including State Value Added Tax collected on behalf of the Government. GST collected and paid has been separately disclosed.

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

a) Sale of goods:

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Export Sales have been recognized only after the goods have been dispatched from the factory.

- b. Sales have been recorded net of rebates and trade discounts but are grossed up for Sales Tax and VAT.

b) Job Work Income:

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

c) Commission Income

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

d) Interest Income

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

e) Export Incentives:

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

1.7 Employee Benefits:

Short term employee benefits

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

Provident fund

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

The Company recognizes contribution payable through the provident fund scheme as an expense, when an employee renders related services.

Other long term employee benefits

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

1.8 Government Grants:

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

The company is an exporter and receives grants in the form of Duty Drawbacks, Import entitlement etc. The same are recognized, subject to the policy stated in para 1 above, in the year in which the export sales are made.

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

1.9 Borrowing Costs

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

1.10 Foreign currencies

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

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

Measurement of foreign currency items at the balance sheet date

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

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

Exchange differences

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

1.11 Cash and Cash Equivalents

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

1.12 Offsetting of financial Assets and liabilities

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

1.13 Taxes

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

a) Current Tax

- (i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.
- (ii) Current income tax relating to item recognised outside the Statement of Profit and Loss is recognised outside Profit or Loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

b) Deferred Tax

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

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

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

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

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

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

1.14 Earnings Per Share

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

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

The partly paid up equity shares have been treated as potential equity shares in accordance with Ind-AS 33.

1.15 Provisions, Contingent Liabilities and Commitments

- (i) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.
- (iii) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in provision due to the passage of time is recognized as a finance cost.
- (iv) Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

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

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

1.17 Fair value measurement

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

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

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

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

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

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

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

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

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

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

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

1.18 Disclosures as required by Indian Accounting Standard (Ind AS101) first time adoption of Indian Accounting Standards:

These are Company's first financial statements prepared in accordance with Ind-AS.

The accounting policies set out in the preceding paras have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 1, 2016 (The Company's date of transition). In preparing its opening Ind AS Balance

Sheet, the Company adjusted the amounts reported previously in Financial Statements prepared in accordance with Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has effected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed other than mandatory exemptions:

Ind AS optional exemptions:-

Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying amount for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by IND AS-38.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A reconciliation of the Balance Sheet and Total comprehensive income as per the previous GAAP and the present Ind-AS Financial Statements is contained in Note No.36.

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note : 3 Property, Plant And Equipment

| Particulars | ₹ in Lacs | | | | | | | | | |
|-----------------------------------|-----------------|---------------|-----------------|---------------|----------------------|------------------|-------------------|-------------------|------------------|--------------------------|
| | Lease Hold Land | Freehold Land | Buildings | Vehicles | Furniture & Fittings | Office Equipment | Plant & Machinery | Intangible Assets | Grand Total | Capital Work In Progress |
| AT COST | | | | | | | | | | |
| Cost as at April 01, 2016 | 468.56 | 401.90 | 1,437.32 | 161.54 | 75.68 | 206.01 | 6,793.51 | 73.88 | 9,618.40 | 152.01 |
| Additions | - | 260.78 | 155.42 | 34.32 | 14.54 | 16.30 | 361.58 | - | 842.94 | 144.91 |
| Disposals | - | - | - | 24.89 | 0.83 | - | 79.83 | - | 105.55 | - |
| As at March 31, 2017 | 468.56 | 662.68 | 1,592.74 | 170.97 | 89.39 | 222.31 | 7,075.26 | 73.88 | 10,355.79 | 296.92 |
| Additions | - | 1.43 | 218.29 | 71.69 | 56.49 | 48.96 | 518.33 | - | 915.18 | 3,542.33 |
| (Disposals)/Capitalised | - | - | - | - | - | - | - | - | - | (296.92) |
| As at March 31, 2018 | 468.56 | 664.11 | 1,811.03 | 242.66 | 145.88 | 271.27 | 7,593.59 | 73.88 | 11,270.97 | 3,542.33 |
| DEPRECIATION | | | | | | | | | | |
| Depreciation as at April 01, 2016 | 44.75 | - | 388.48 | 52.07 | 41.75 | 175.87 | 1,879.79 | 73.88 | 2,656.59 | - |
| Charge for the Year | 4.82 | - | 45.19 | 18.15 | 5.48 | 60.20 | 285.02 | - | 418.86 | - |
| Transfers | - | - | - | (18.24) | (0.83) | (1.06) | (19.86) | - | (39.99) | - |
| As at March 31, 2017 | 49.57 | - | 433.67 | 51.98 | 46.40 | 235.01 | 2,144.95 | 73.88 | 3,035.46 | - |
| Charge for the Year | 4.82 | - | 51.12 | 19.48 | 8.98 | 15.92 | 310.32 | - | 410.64 | - |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2018 | 54.39 | - | 484.79 | 71.46 | 55.38 | 250.93 | 2,455.27 | 73.88 | 3,446.10 | - |
| NET CARRYING AMOUNT | | | | | | | | | | |
| As at April 01, 2016 | 423.81 | 401.90 | 1,048.84 | 109.47 | 33.93 | 30.14 | 4,913.72 | - | 6,961.81 | 152.01 |
| As at March 31, 2017 | 418.99 | 662.68 | 1,159.07 | 118.99 | 42.99 | 26.01 | 4,891.60 | - | 7,320.33 | 296.92 |
| As at March 31, 2018 | 414.17 | 664.11 | 1,326.24 | 171.20 | 90.50 | 20.34 | 5,138.32 | - | 7,824.87 | 3,542.33 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 3 Non-Current Assets :

| Particulars | ₹ in Lacs | | |
|-------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Other Intangible Assets | - | - | 7.23 |
| | - | - | 7.23 |

Note - 4 Financial Assets :

| Particulars | ₹ in Lacs | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Investments : | | | |
| Investment measured at Amortised Cost | - | 6.09 | 6.36 |
| Investment in Mahindra Club Membership | - | - | - |
| | - | 6.09 | 6.36 |

Note - 5 Other Financial Assets

| Particulars | ₹ in Lacs | | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| (a) Secured, Considered Good : | | | |
| (i) Other Deposit | | | |
| - Stamp Duty paid Under Protest | 31.52 | 31.52 | 31.52 |
| - Interest accrued on Security deposit. | 13.91 | 13.37 | 24.75 |
| - Fixed Deposits with banks having maturity period of more than 12 months | 106.65 | 78.36 | 72.75 |
| - Security Deposits to Govt. & Others | 209.33 | 188.37 | 191.47 |
| | 361.41 | 311.62 | 320.49 |
| (b) Unsecured, Considered Good | - | - | - |
| (c) Doubtful | - | - | - |
| | 361.41 | 311.62 | 320.49 |

5.1 Bank Deposits to the tune of ₹ In Lacs 106.65 (PY ₹ In Lacs 78.36) Lakhs are held as security with the Bank against LC and Bank Guarantee Margin Money.

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 6 Other Non-Current Assets

| Particulars | ₹ in Lacs | | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| (Unsecured , Considered Good) | | | |
| Income Tax Refund receivable/Demand deposited under protest | 107.03 | 110.22 | 71.32 |
| Excise Duty/Service Tax Refund | 55.32 | - | - |
| | 162.35 | 110.22 | 71.32 |

(Refer Note on Contingent Liabilities and Contingent Assets for details.)

Note - 7 Current Assets :

| Particulars | ₹ in Lacs | | |
|------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Inventories | | | |
| 1. Raw Material | 1,597.30 | 1,812.45 | 1,251.42 |
| 2. Raw Material (in Transit) | - | 245.20 | 139.40 |
| 3. Goods -in-Process | 2,003.79 | 1,489.08 | 1,114.74 |
| 4. Finished Goods | 134.01 | 216.63 | 132.40 |
| 5. Stores & Spares/ Others | 300.14 | 222.71 | 236.91 |
| 6. Jigs and Fixtures | | - | 28.52 |
| | 4,035.24 | 3,986.07 | 2,903.39 |

(Valued at lower of cost and net realisable value unless otherwise stated)

Note - 8 Investments

| Particulars | ₹ in Lacs | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Investments | | | |
| Investments in Fixed Deposits (Shri Ram Transport Finance Company Limited) | - | 100.00 | - |
| Investment in Mutual Funds (Fair Value as on 31/03/2018 is ₹ 355.46 Lacs) | 355.46 | 507.62 | - |
| | 355.46 | 607.62 | - |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 9 Trade Receivables

| Particulars | ₹ in Lacs | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. Outstanding for more than six months: | | | |
| Considered good | 3.56 | 0.17 | 0.34 |
| Considered Doubtful | - | - | 19.72 |
| 2. Outstanding for less than six months: Considered good (Including (₹ in Lacs) 553.87 of Consignment Stockist Division (previous year (₹ in Lacs) 403.44) | 5,782.41 | 5,202.76 | 4,428.99 |
| | 5,785.97 | 5,202.93 | 4,449.05 |

9.2 It includes Bill Purchase Account of ₹1695.05 Lacs. (Previous Year ₹ 2372.76 Lacs)

Note - 10 Cash and Cash Equivalents

| Particulars | ₹ in Lacs | | |
|-----------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Cash in Hand | 2.06 | 3.19 | 4.06 |
| Balances with Banks: | | | |
| Current Accounts | 12.41 | 12.92 | 28.99 |
| | 14.47 | 16.11 | 33.05 |

Note - 11 Other Bank Balances

| Particulars | ₹ in Lacs | | |
|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Earmarked balances with banks | | | |
| Unclaimed dividend with bank | 51.94 | 40.35 | 48.70 |
| | 51.94 | 40.35 | 48.70 |

Note - 12 Other Current Assets :

| Particulars | ₹ in Lacs | | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Short-Term Loans And Advances (Unsecured) (Unsecured and Considered Good) | | | |
| (a) Income Tax Refund Receivable | 3.48 | 5.82 | 47.99 |
| (b) Others loans & advances considered good | | | |
| 1. Advance to Staff | 11.80 | 13.86 | 12.92 |
| 2. Pre-paid Expenses | 58.12 | 53.28 | 41.91 |
| 3. Advances to Suppliers & Others | 116.73 | 183.30 | 179.94 |
| 4. Interest Recoverable under TUF Scheme / others | 27.28 | 45.58 | 74.39 |
| 5. VAT Recoverable (CST Recoverable under protest) | 2.99 | 63.99 | 55.37 |
| 6. Excise Duty/Service tax Recoverable | - | 292.48 | 226.04 |
| 7. Excise Duty/Service tax Recoverable (Under Rebate / Refund) | - | 702.59 | 560.25 |
| 8. GST Recoverable | 595.06 | - | - |
| 9. Insurance Claim Receivable | - | - | 6.48 |
| | 811.98 | 1,355.08 | 1,157.29 |
| | 815.46 | 1,360.90 | 1,205.28 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 13 Equity & Liabilities :

| Particulars | ₹ in Lacs | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Equity Share Capital | | | |
| 1. Authorised Capital | | | |
| (in Lacs) 200.00 Equity Shares of ₹ 10/- each (31 st March 2017- (in Lacs) 200 Equity shares of ₹10/- each; 01 st April 16- 160.00 Equity Shares of ₹ 10/- each) | 2,000.00 | 2,000.00 | 1,600.00 |
| (in Lacs) 20.00 Preference Shares of ₹ 10/- each (Previous Year (in Lacs) 40.00 Equity Shares of ₹10/- each) | 200.00 | 200.00 | 400.00 |
| | 2,200.00 | 2,200.00 | 2,000.00 |
| A. Issued, Subscribed and Paid-up Capital | | | |
| (i) 11938871 (Previous years (in Lacs) 7959247) Equity Shares of ₹ 10/- each each fully paid up | 1,193.88 | 795.92 | 795.92 |
| (ii) Bonus Shares 3979624 (Previous years (in Lacs) NIL) Equity Shares of ₹ 10/- each each fully paid up | - | 397.96 | - |
| (iii) 2387774 (Previous year (in Lacs) NIL) Equity Shares of ₹ 10/- each partially paid up @ ₹5/- per share | 119.39 | | |
| | 1,313.27 | 1,193.88 | 795.92 |

B. Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share (March 31, 2016 : ₹ 10/- per share) (April 1, 2015: ₹ 10/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees in proportion to the paid up value of the equity shares. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

C. Reconciliation of number of equity shares outstanding as at the beginning and end of the year:

| Particulars | ₹ in Lacs | |
|--|---------------------|-----------------|
| | Number of Shares | Amount |
| Outstanding as at 01st April 2016 | 79,59,247 | 795.92 |
| Equity Shares Issued during Financial Year ended 31 st March 2017 for Other than Cash consideration | 39,79,624 | 397.96 |
| Outstanding as at 31st March 2017 | 1,19,38,871 | 1,193.88 |
| Equity Shares Issued during Financial Year ended 31 st March 2018 for Cash consideration (Partly paid up) | 23,87,774 | 119.39 |
| Outstanding as at 31st March 2018 | 1,43,26,645 | 1,313.27 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 13 Equity & Liabilities : (contd..)

D. Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

| Particulars | As at 31 st March, 2018 | | As at 31 st March, 2017 | | As at 31 st March, 2016 | |
|---------------------------|------------------------------------|--------------|------------------------------------|--------------|------------------------------------|--------------|
| | Number of shares held | % of holding | Number of shares held | % of holding | Number of shares held | % of holding |
| Mahesh Swarup Agarwal | 24,95,060 | 17.42% | 19,00,680 | 15.92% | 12,67,120 | 15.92% |
| Usha Agarwal | 18,58,766 | 12.97% | 14,82,471 | 12.42% | 9,88,314 | 12.42% |
| Manoj Agarwal | 11,47,023 | 8.01% | 9,14,818 | 7.66% | 6,09,879 | 7.66% |
| MSA Investments & Trading | 9,37,876 | 6.55% | 7,48,012 | 6.27% | 4,98,675 | 6.27% |
| Shashank Agarwal | 8,87,064 | 6.19% | 7,07,485 | 5.93% | 4,71,657 | 5.93% |
| KSM Exports Limited | 7,53,434 | 5.26% | 6,27,862 | 5.26% | 4,18,575 | 5.26% |

Note:

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

b. In terms of Section 62 of the Companies Act, 2013, and the authorisation of the Board vide resolution passed on May, 19th, 2017, the company offered a Rights' Issue to its existing shareholders in the ratio of 1:5. The issue price per share was ₹75/- (including premium of ₹65/- per share) of which only 50% was called at the time of subscription while the balance 50% is yet to be called.

Note - 14 Other Equity

| Particulars | ₹ in Lacs | | |
|--|------------------------------------|------------------------------------|------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| A. Securities Premium Account | | | |
| Balance at the beginning of the year | - | - | - |
| Add: Premium Received during the year | 776.03 | - | - |
| Less: Expenses incurred on Rights Issue | 40.40 | | |
| Balance as at the end of the year | 735.63 | - | - |
| B. Capital Redemption Reserve | | | |
| Balance at the beginning of the year | | | |
| Add: Transfer from Retained Earnings | 200.00 | | |
| Balance as at the end of the year | 200.00 | - | - |
| C. General Reserve | | | |
| Balance at the beginning of the year | 324.33 | 324.33 | 294.33 |
| Add: Transfer from Retained Earnings | - | - | 30.00 |
| Less: Transferred to Capital Redemption Reserve | 200.00 | - | - |
| Balance as at the end of the year | 124.33 | 324.33 | 324.33 |
| D. Retained Earnings | | | |
| Balance at the beginning of the year | 6,722.45 | 5,788.52 | 4,336.74 |
| Add: Net Profit for the Year | 1,623.76 | 1,384.48 | 1,601.63 |
| | 8,346.21 | 7,173.00 | 5,938.37 |
| Less: | | | |
| (i) Transferred To General Reserves | - | - | 30.00 |
| (ii) Issue of Bonus Shares from Previous Year Surplus | - | 397.96 | - |
| (iii) Interim Dividend on Equity Shares for the Year (Amount per Equity Share ₹ NIL, Previous Year ₹ 1.20/-) | - | - | 95.51 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 14 Other Equity (contd..)

| Particulars | ₹ in Lacs | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| (iv) Final Dividend on Equity Shares paid during the Year (Amount per share ₹ 1.80/- , Previous Year ₹ 0.60 /- per Equity Share) | 214.90 | 47.76 | |
| (v) Tax on Dividend on Equity Shares | 43.74 | 4.83 | 24.34 |
| (vi) Tax on Dividend on Preference Shares | - | | |
| | 258.64 | 450.55 | 149.85 |
| Balance as at the end of the year | 8,087.57 | 6,722.45 | 5,788.52 |
| | 9,147.53 | 7,046.78 | 6,112.85 |

Note - 15 Long Term Borrowings :

| Particulars | ₹ in Lacs | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Term Loans from banks (Secured) | 2,639.17 | 1,024.22 | 1,169.93 |
| Vehicle Finance under Hire purchase | 23.53 | 45.94 | 32.40 |
| Deposits (Unsecured) | 66.00 | 109.00 | 219.00 |
| Inter Corporate Deposits (Unsecured) | 55.00 | 75.00 | 75.00 |
| | 2,783.70 | 1,254.16 | 1,496.33 |

15.1 Term Loans from State Bank Of India in ₹, Balance Outstanding is (₹ in Lacs) 2897.32 , (₹ in Lacs) (Previous Year 1734.22).

15.2 Term Loans from HDFC Bank Ltd. ₹ , Balance Outstanding is (₹ in Lacs) 249.20 , (₹ in Lacs) (Previous Year NIL).

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

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

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

(i) Not later than 1 Year (Shown under Current Maturity ₹ 22.86 Lacs)

(ii) Later than 1 Year and not later than 5 Years (₹ 23.53 Lacs).

(iii) Later than 5 Year is ₹ NIL.

15.6 Outstanding Unsecured Deposits amounting to (₹ in Lacs) 172.00 (Previous year (₹ in Lacs) 184.00 and is for 3 Years and Interest Rate is 12.5%

15.7 Outstanding Unsecured Inter Corporate Deposits (₹ in Lacs) 55.00 (Previous year (₹ in Lacs) 75.00) and is for 3 Years and Interest Rate is 12.5%.

Other Financial Liabilities:

(₹ in Lacs) 20.00 (Previous year (in Lacs) 20.00) 12% Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up.

| | | | |
|--|---|---|---------------|
| | - | - | 200.00 |
|--|---|---|---------------|

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 16 Long Term Provisions

₹ in Lacs

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Provisions for Employee Benefit Obligations | 506.89 | 469.23 | 437.80 |
| | 506.89 | 469.23 | 437.80 |

Note - 17 Deffered Tax Liability (Net)

₹ in Lacs

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
|------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 1. Deferred Tax Liabilities | | | |
| Depreciation and amortisation | 1,126.86 | 1,047.07 | 946.26 |
| 2. Deferred Tax Assets | | | |
| Employee benefits | (258.35) | (226.81) | (205.35) |
| | 868.51 | 820.26 | 740.91 |

Note - 18 Current Liabilities : Financial Liabilities

₹ in Lacs

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
|---------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Borrowings from Bank | | | |
| 1. Working Capital Loans in INR | 4,961.73 | 6,073.87 | 4,334.83 |
| 2. Buyer's Credit | 558.51 | - | |
| | 5,520.24 | 6,073.87 | 4,334.83 |

18.1 (Including (₹ in Lacs) 191.34 (Previous Year ₹ 365.88 in Lacs) of Consignment Stockist (IOCL) Division.

18.2 It includes Bill Purchase Account of ₹ 1695.05 Lacs. (Previous Year ₹ 2372.75 Lacs)

18.3 Working Capital Loans from State Bank of India in INR in Cash Credit (Hypo) , Export Packing Credit & Cash Credit(Book Debts) , Balance Outstanding (₹ in Lacs) 3075.34 (previous year (₹ in Lacs) 3335.23).

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

18.5 Working Capital Loans in INR from State Bank of India in Cash Credit Limits under E-DFS Scheme , Balance Outstanding of (₹ in Lacs) 191.34 (previous year (₹ in Lacs) 365.88) Consignment Stockist (IOCL) Division.

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 19 Trade Payables

| Particulars | ₹ in Lacs | | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. Trade Payable for purchase of Raw Material & Store, Spares | 641.41 | 299.98 | 353.21 |
| 2. Trade Payable for Services Received | 253.58 | 182.86 | 245.49 |
| | 894.99 | 482.84 | 598.70 |

19.1 (Including (₹ in Lacs) 285.53 (Previous Year ₹ 19.54 in Lacs) of Consignment Stockist (IOCL) Division

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

Note - 20 Provisions

| Particulars | ₹ in Lacs | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. Provision for Income Tax (Net of Prepaid Taxes) | 93.35 | 107.00 | 99.61 |
| 2. Proposed dividend on equity/preference shares | - | 24.00 | - |
| 3. Tax on Dividend | - | 4.90 | 4.90 |
| 4. Provision for Quality Claim | 45.17 | 31.06 | 25.31 |
| 5. Employee Benefits (Leave Wages/Bonus) | 253.28 | 200.14 | 166.78 |
| 6. Provision for Bad and Doubtful Debts | - | - | 5.88 |
| 7. Provision for Non-Moving and Obsolete Stock | - | - | 13.67 |
| | 391.80 | 367.10 | 316.15 |

Note - 21 Other Current Liabilities

| Particulars | ₹ in Lacs | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Current Maturities of : | | | |
| 1. Long Term Debt | 507.35 | 710.00 | 675.00 |
| 2. Finance Lease Obligations on vehicle | 22.86 | 22.89 | 21.00 |
| 3. Finance Lease Obligations to UPSIDC | - | - | 8.52 |
| 4. Deposits | 106.00 | 63.00 | 13.00 |
| 5. 12% Redeemable Cumulative Preference Shares of ₹ 10/- each fully paid up. (in Lacs) 20.00 (Previous year (in Lacs) 20.00) | - | 200.00 | - |
| Others: | | | |
| 1. TDS Payable | 23.14 | 11.96 | 18.35 |
| 2. Unpaid Dividend | 51.94 | 40.35 | 48.70 |
| 3. Unpaid-salary & wages | 170.55 | 142.79 | 92.89 |
| 4. Payables in respect of Capital Goods | 238.80 | - | - |
| 5. Outstanding Liabilities | 401.93 | 360.05 | 247.73 |
| | 1,522.57 | 1,551.04 | 1,125.19 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 22 Revenue From Operations

| | | ₹ in Lacs | |
|---|------------------|------------------|--|
| Particulars | 2017-2018 | 2016-2017 | |
| (I) Sale of Products | | | |
| (i) Plastic Products(Indigenous) | 4,797.61 | 3,385.53 | |
| (ii) Plastic Products (Export) | 21,973.11 | 19,690.34 | |
| (iii) By-Products | 510.73 | 527.28 | |
| (iv) Trade Tax/VAT Collected on Sales | 44.99 | 166.92 | |
| | 27,326.44 | 23,770.07 | |
| (II) Sale - Trading of Stock -in-Trade | | | |
| (i) Plastic Granules | 814.11 | 57.67 | |
| (ii) Merchant Exports | 126.89 | 93.19 | |
| | 941.00 | 150.86 | |
| (III) Other Operating Revenue | | | |
| (v) Export Incentive(Focus Market/Product scheme) | 512.48 | 419.68 | |
| (vi) Profit/(Loss) on forward foreign exchange export contracts | (0.29) | (4.37) | |
| (vii) Foreign Exchange fluctuation on Export Sale | 288.70 | 326.94 | |
| (viii) Job Work Receipt | 14.82 | 134.53 | |
| (ix) Commission received(on Consignment Stock sales IOCL) | 58.04 | 60.00 | |
| (x) Sale of scrap | 44.55 | 45.07 | |
| | 918.30 | 981.85 | |
| Total Revenue From Operations (I+II+III) | 29,185.74 | 24,902.78 | |
| Less : Excise Duty and GST | 819.71 | 392.63 | |
| | 28,366.03 | 24,510.15 | |

Note - 23 Other Income

| | | ₹ in Lacs | |
|---|---------------|---------------|--|
| Particulars | 2017-2018 | 2016-2017 | |
| (i) Miscellaneous income | 1.25 | 1.52 | |
| (ii) Interest Receipts | 99.32 | 112.13 | |
| (iii) Profit on Sale of Investment | 16.44 | 10.89 | |
| (iv) Profit/Loss on Valuation of Investment | 35.46 | - | |
| | 152.47 | 124.54 | |

Note - 24 Cost of The Materials Consumed

| | | ₹ in Lacs | |
|---------------------------|------------------|------------------|--|
| Particulars | 2017-2018 | 2016-2017 | |
| Opening Stock : | | | |
| Raw Materials | 1,812.45 | 1,251.42 | |
| Add : Purchases | 15,153.69 | 13,897.36 | |
| Less : Closing Stock | 1,597.30 | 1,812.45 | |
| Materials Consumed | 15,368.84 | 13,336.33 | |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 25 Purchase Of Stock In Trade

| ₹ in Lacs | | |
|--|---------------|---------------|
| Particulars | 2017-2018 | 2016-2017 |
| Purchase of stock-in-trade (Merchant Export) | 99.15 | 72.52 |
| Purchase of Granules | 783.66 | 57.22 |
| | 882.81 | 129.74 |

Note - 26 Changes In Inventories

| ₹ in Lacs | | |
|-------------------------------------|-----------------|-----------------|
| Particulars | 2017-2018 | 2016-2017 |
| Opening Stock : | | |
| Goods in Process | 1,489.08 | 1,114.74 |
| Finished Goods | 216.63 | 132.40 |
| Less: Closing Stock | | |
| Goods in Process | 2,003.79 | 1,489.08 |
| Finished Goods | 134.01 | 216.63 |
| (Increase) Decrease in Stock | (432.09) | (458.57) |

Note - 27 Employee Benefits Expenses

| ₹ in Lacs | | |
|--|-----------------|-----------------|
| Particulars | 2017-2018 | 2016-2017 |
| (i) Salaries, Wages ,Bonus & Others | 2,172.69 | 1,710.30 |
| (ii) Contribution to Provident and other Funds | 167.90 | 157.55 |
| (iii) Staff welfare expenses | 130.11 | 130.50 |
| (iv) Directors' Remuneration | 130.09 | 116.98 |
| (v) Directors' Commission | 104.75 | 90.65 |
| | 2,705.54 | 2,205.98 |

Note - 28 Other Expenses

| ₹ in Lacs | | |
|---|-----------|-----------|
| Particulars | 2017-2018 | 2016-2017 |
| Stores and Spares Consumed | 594.97 | 476.78 |
| Power and Fuel ## | 1,581.77 | 1,506.03 |
| Other Direct Expenses | 2,117.37 | 1,966.50 |
| Repairs and Maintenance | | |
| - Building | 37.32 | 24.02 |
| - Plant and Machinery | 71.38 | 39.55 |
| - Others | 19.18 | 15.67 |
| Advertisement and Publicity | 2.75 | 3.74 |
| Traveling and Conveyance | | |
| - Directors' Traveling including Foreign Travel | 28.19 | 28.29 |
| - Sales Staff | 14.26 | 15.82 |
| - Other | 22.52 | 18.51 |
| Selling and Promotional Expenses | 124.48 | 162.51 |
| Freight and Fowarding | 1,225.27 | 1,020.19 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 28 Other Expenses (contd..)

| Particulars | ₹ in Lacs | |
|--|-----------------|-----------------|
| | 2017-2018 | 2016-2017 |
| Claims and Discount | 58.18 | 26.04 |
| Sales Tax / VAT | 44.99 | 166.92 |
| Bad Trade Receivables/Advances Written Off | 17.17 | 30.03 |
| Legal and Professional | 90.73 | 98.08 |
| Meeting, Recruitment & Training Expenses | 18.87 | 29.72 |
| Printing and Stationery/ Books and Periodicals | 26.63 | 25.52 |
| Vehicle Maintenance | 21.59 | 21.13 |
| Rent | 64.62 | 62.77 |
| Rates and taxes | 20.99 | 31.10 |
| Corporate Social Responsibility | 43.60 | 40.00 |
| Communication Expenses | 37.65 | 37.84 |
| Auditors' Remuneration | | |
| Audit Fees | 2.00 | 1.10 |
| Tax & Vat Audit Fees | 0.50 | 0.60 |
| Management Services | 2.00 | 1.60 |
| Subscription and Memberships | 11.28 | 4.61 |
| Insurance Expenses | 54.43 | 48.28 |
| Honorarium to Chairman Emeritus | 24.00 | 24.00 |
| Directors' Sitting Fees | 6.89 | 3.98 |
| Miscellaneous Expenses | 22.42 | 38.97 |
| Loss on disposal of Fixed Assets | - | 39.91 |
| | 6,408.00 | 6,009.81 |

Net of value of power generated from self owned and operated Solar Plant, valued at ₹37.45 lakhs (P.Y. ₹41.25 Lakhs).

Note - 29 Finance Costs

| Particulars | ₹ in Lacs | |
|--|---------------|---------------|
| | 2017-2018 | 2016-2017 |
| (i) Interest to Bank & others | 514.54 | 491.23 |
| (ii) Dividend on Preference Shares and Tax | - | 28.90 |
| (iii) Interest on Deposits | 29.08 | 34.06 |
| (iv) Bank Charges | 101.40 | 116.25 |
| (v) Foreign Currency Exchange Gains/(Losses) | (4.71) | 8.39 |
| | 640.31 | 678.83 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note - 30 Dividend

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

Under the previous GAAP, proposed dividend including corporate dividend tax (CDT), were recognised as liability in the period to which they related, irrespective of date/year of declaration of dividend.

Under Ind AS, proposed dividend is recognised as liability in the period in which it is declared by the Company, usually when approved by the shareholders in a general meeting, or paid.

Proposed Dividend, including corporate dividend (CDT) tax liability as on April 1, 2016 amounting to ₹52.59 lakhs was derecognised on the transition date with corresponding increase in retained earning.

The same has been recognised in retained earnings during the year ended March 31, 2017 as declared and paid. Proposed dividend including corporate dividend tax (CDT) liability as on March 31, 2017 amounting to ₹258.65 lakhs is also derecognised on that date with the corresponding increase in the retained earnings.

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

Note 31 Segment Reporting

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

a) Operating Segments

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

b) Summary of Segmental Information

| Particulars | ₹ in Lacs | | | | | | | |
|--|------------------|------------------|-----------------------|---------------|----------------------|--------------|------------------|------------------|
| | Plastic Division | | Consignment Stockiest | | Solar Power Division | | Total Operations | |
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| 1. Segment Revenue | 28,382.94 | 24,492.98 | 135.56 | 141.71 | 37.45 | 41.25 | 28,555.95 | 24,675.94 |
| Less: Inter Segment Revenue | - | - | - | - | - | - | - | - |
| Net Sales/Income from Operations | 28,382.94 | 24,492.98 | 135.56 | 141.71 | 37.45 | 41.25 | 28,555.95 | 24,675.94 |
| 2. Segment Results (Profit Before Tax and Interest) | 3,054.94 | 2,889.34 | 98.44 | 76.69 | 21.38 | 26.51 | 3,174.76 | 2,992.54 |
| Less : Unallocated Interest Finance Charges | 597.54 | 648.68 | 37.53 | 23.81 | 5.24 | 6.34 | 640.31 | 678.83 |
| Total Profit before tax | 2,457.40 | 2,240.66 | 60.91 | 52.88 | 16.14 | 20.17 | 2,534.45 | 2,313.71 |
| 3. Capital Employed (Segment Assets - Segment Liabilities) | | | | | | | 10,460.80 | 8,240.66 |
| 4. Segment Assets (separate for solar division) | | | | | | | 281.99 | 294.17 |
| 5. Depreciation (solar division) | | | | | | | 12.18 | 12.18 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 31 Segment Reporting (contd..)

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

| Particulars | ₹ in Lacs | |
|----------------------------------|-----------|-----------|
| | 2017-2018 | 2016-2017 |
| i. Trade Receivables | 553.87 | 403.44 |
| ii. Cash & Bank Balances | 11.14 | 5.99 |
| iii. Short Term Loans & Advances | 293.11 | 310.96 |
| iv. Reserves & Surplus | 381.25 | 320.34 |
| v. Trade Payable | 285.53 | 18.39 |
| vi. Other Current Liabilities | - | 15.78 |
| Vii. Short Term Borrowings | 191.34 | 365.88 |

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

| Particulars | ₹ in Lacs | |
|---------------------------------|-----------|-----------|
| | 2017-2018 | 2016-2017 |
| i. Fixed Assets | 281.99 | 294.17 |
| ii. Trade Receivables | - | - |
| iii. Cash & Bank Balances | - | - |
| iv. Short Term Loans & Advances | 0.07 | 0.12 |
| v. Reserves & Surplus | 231.11 | 238.20 |
| vi. Trade Payable | 0.95 | - |
| vii. Other Current Liabilities | - | - |
| Viii. Long Term Borrowings | 50.00 | 56.00 |

Note 32 Earning Per Share

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

| Particulars | ₹ in Lacs | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2018 | As at 31 st March, 2017 |
| Basic Earning Per Share | | |
| Numerator of EPS | | |
| Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon) | 1,623.76 | 1,384.48 |
| Denominator of EPS | | |
| Weighted Average Number of equity share of ₹ 10/- each ## | 12152065 | 11938871 |
| Basic Earnings per share | 13.36 | 11.60 |
| Diluted Earning Per Share | | |
| Numerator of EPS | | |
| Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon) | 1,623.76 | 1,384.48 |
| Denominator of EPS | | |
| Weighted Average Number of equity share of ₹ 10/- each ** | 12365259 | 11938871 |
| Diluted Earning per Share | 13.13 | 11.60 |

The number of partly paid up shares has been adjusted for the paid up value

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 33 Contingent Liabilities

| Particulars | ₹ in Lacs | |
|---|-----------|-----------|
| | 2017-2018 | 2016-2017 |
| Counter Guarantees given to Bank for issue of performance guarantees by Bank. | 631.00 | 777.85 |
| Legal Undertakings submitted to DGFT under duty exemption Scheme for import of raw materials against which all exports have been completed and Advance Licenses are under redemption. | 683.36 | 2,188.95 |
| Labour cases pending with Labour Courts / High Court | 8.50 | 8.50 |

Note 34 Related Party Disclosures

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

The company's related party transactions during the year and outstanding balances as on 31.03.2018 are as under:

(A) Details of Associate Companies

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

(B) Details of Key Management Personnel & their relatives

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

Details of Transactions Nature

| Particulars | ₹ in Lacs | | | |
|--------------------------|----------------------|----------|------------------------------|----------|
| | Associates Companies | | Director and their Relatives | |
| | 31-03-18 | 31-03-17 | 31-03-18 | 31-03-17 |
| Remuneration/ Others | 18.00 | - | 262.28 | 229.31 |
| Interest on Deposits | 7.56 | 9.38 | 21.52 | 24.68 |
| Outstanding Deposits | 55.00 | 75.00 | 172.00 | 172.00 |
| Rent paid | 17.46 | 17.24 | 3.60 | 3.60 |
| Rent received | 0.60 | 0.60 | - | - |
| Sales - Plastic Granules | - | 51.99 | - | - |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 35

Quantitative Disclosures of Fair Value Measurement Hierarchy For Assets As on March, 31, 2018

₹ in Lacs

| Particulars | Carrying Value March 31 st , 2018 | Fair Value | | |
|---|---|------------|---------|----------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | |
| Investments measured at | | | | |
| (I) fair value through other comprehensive income | - | - | - | - |
| (II) fair value through profit & loss | | | | |
| Investment property | - | - | - | - |
| Non current financial investment | - | - | - | - |
| Current financial investment | 355.46 | 355.46 | - | - |
| Financial assets measured at amortised cost | | | | |
| Other non current assets | 162.35 | - | - | 162.35 |
| Other non current financial assets | 361.41 | - | - | 361.41 |
| Trade receivables | 5,785.97 | - | - | 5,785.97 |
| Cash & cash equivalents | 14.47 | - | - | 14.47 |
| Other bank balances | 51.94 | - | - | 51.94 |
| Other current financial assets | 815.46 | - | - | 815.46 |
| Financial liabilities measured at amortised cost | | | | |
| Non current financial liabilities | | | | |
| Borrowings | 2,783.70 | - | - | 2,783.70 |
| Other financial liabilities | - | - | - | - |
| Current financial liabilities | | | | |
| Borrowings | 5,520.24 | - | - | 5,520.24 |
| Trade payables | 894.99 | - | - | 894.99 |
| Other financial liabilities | - | - | - | - |
| Other current liabilities | 1,522.57 | - | - | 1,522.57 |

Quantitative Disclosures of Fair Value Measurement Hierarchy For Assets As on March, 31, 2017

₹ in Lacs

| Particulars | Carrying Value March 31 st , 2017 | Fair Value | | |
|--|---|------------|---------|----------|
| | | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | |
| Investments measured at | | | | |
| (I) fair value through other comprehensive income | - | - | - | - |
| (II) fair value through profit & loss | | | | |
| Investment property | - | - | - | - |
| Non current financial investment | 6.09 | - | - | 6.09 |
| Current financial investment | 607.62 | 607.62 | - | - |
| Financial assets measured at amortised cost | | | | |
| Other non current assets | 110.22 | - | - | 110.22 |
| Other non current financial assets | 311.62 | - | - | 311.62 |
| Trade receivables | 5,202.93 | - | - | 5,202.93 |
| Cash & cash equivalents | 16.11 | - | - | 16.11 |
| Other bank balances | 40.35 | - | - | 40.35 |
| Other current financial assets | 1,360.90 | - | - | 1,360.90 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note 35 (contd..)

| | | | | ₹ in Lacs |
|---|---|------------|---------|-----------|
| Particulars | Carrying Value March 31 st , 2017 | Fair Value | | |
| | | Level 1 | Level 2 | Level 3 |
| Financial liabilities measured at amortised cost | | | | |
| Non current financial liabilities | | | | |
| Borrowings | 1,254.16 | - | - | 1,254.16 |
| Other financial liabilities | - | - | - | - |
| Current financial liabilities | | | | |
| Borrowings | 6,073.87 | - | - | 6,073.87 |
| Trade payables | 482.84 | - | - | 482.84 |
| Other financial liabilities | - | - | - | - |
| Other current liabilities | 1,551.04 | - | - | 1,551.04 |

Quantitative Disclosures of Fair Value Measurement Hierarchy For Assets As on April 1, 2016

| | | | | ₹ in Lacs |
|---|---------------------------------|------------|---------|-----------|
| Particulars | Carrying Value April 1, 2015 | Fair Value | | |
| | | | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | |
| Investments measured at | | | | |
| (I) fair value through other comprehensive income | - | - | - | - |
| (II) fair value through profit & loss | | | | |
| Investment property | - | - | - | - |
| Non current financial investment | 6.36 | - | - | 6.36 |
| Current financial investment | - | - | - | - |
| Financial assets measured at amortised cost | | | | |
| Other non current assets | 71.32 | - | - | 71.32 |
| Other non current financial assets | 320.49 | - | - | 320.49 |
| Trade receivables | 4,449.05 | - | - | 4,449.05 |
| Cash & cash equivalents | 33.05 | - | - | 33.05 |
| Other bank balances | 48.70 | - | - | 48.70 |
| Other current financial assets | 1,205.28 | - | - | 1,205.28 |
| Financial liabilities measured at amortised cost | | | | |
| Non current financial liabilities | | | | |
| Borrowings | 1,496.33 | - | - | 1,496.33 |
| Other financial liabilities | 200.00 | - | - | 200.00 |
| Current financial liabilities | | | | |
| Borrowings | 4,334.83 | - | - | 4,334.83 |
| Trade payables | 598.70 | - | - | 598.70 |
| Other financial liabilities | - | - | - | - |
| Other current liabilities | 1,125.19 | - | - | 1,125.19 |

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note -36

Reconciliations Of Balance Sheet As At March 31, 2017 And April 01, 2016

₹ in Lacs

| Particulars | As At March 31, 2017 | | | As At April 1, 2016 | | |
|---|----------------------|---------------------|------------------|---------------------|---------------------|------------------|
| | Previous Gaap | Gaap Adjustments | As Per Ind As | Previous Gaap | Gaap Adjustments | As Per Ind As |
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Property, plant and equipment | 7,320.33 | - | 7,320.33 | 6,961.81 | - | 6,961.81 |
| Capital work-in-progress | - | 296.92 | 296.92 | - | 152.00 | 152.00 |
| Intangible assets | - | - | - | - | 7.23 | 7.23 |
| Investment property | - | - | - | - | - | - |
| Investments in subsidiaries , associates & joint ventures | - | - | - | - | - | - |
| Financial assets | - | - | - | - | - | - |
| Investments | 6.09 | - | 6.09 | 6.36 | - | 6.36 |
| Other financial assets | - | 311.62 | 311.62 | 0.00 | 320.49 | 320.49 |
| Non-current assets/long term loans and advances | 570.53 | (460.31) | 110.22 | 455.68 | (384.36) | 71.32 |
| Current assets | | | | | | |
| Inventories | 3,986.07 | - | 3,986.07 | 2,903.39 | - | 2,903.39 |
| Investments | 607.62 | - | 607.62 | - | - | - |
| Trade receivables | 5,202.93 | - | 5,202.93 | 4,449.05 | - | 4,449.05 |
| Cash and cash equivalents | 94.47 | (78.36) | 16.11 | 105.80 | (72.75) | 33.05 |
| Bank balances other than above | - | 40.35 | 40.35 | - | 48.70 | 48.70 |
| Other financial assets | - | - | - | - | - | - |
| Other current assets | 2,137.12 | (776.22) | 1,360.90 | 2,426.99 | (1,221.71) | 1,205.28 |
| Total assets | 19,925.16 | (666.00) | 19,259.16 | 17,309.09 | (1,150.40) | 16,158.68 |
| EQUITY & LIABILITIES | | | | | | |
| Equity | | | | | | |
| Equity share capital | 1,193.88 | - | 1,193.88 | 795.92 | - | 795.92 |
| Preference capital | 200.00 | (200.00) | - | 200.00 | (200.00) | - |
| Other equity | 6,788.13 | 258.65 | 7,046.78 | 6,061.61 | 51.24 | 6,112.85 |
| Liabilities | | | | | | |
| Non-current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| Borrowings | 1,254.16 | - | 1,254.16 | 1,496.33 | - | 1,496.33 |
| Other financial liabilities | - | - | - | - | 200.00 | 200.00 |
| Provisions | 469.22 | - | 469.23 | 437.80 | - | 437.80 |
| Deferred tax liabilities (net) | 820.26 | - | 820.26 | 740.92 | - | 740.91 |
| Current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| Borrowings | 6,073.87 | - | 6,073.87 | 4,334.83 | - | 4,334.83 |
| Trade payables | 482.84 | - | 482.84 | 598.70 | - | 598.70 |
| Other financial liabilities | - | - | - | - | - | - |
| Provisions | 1,291.75 | (924.65) | 367.10 | 1,519.13 | (1,202.98) | 316.15 |
| Other current liability | 1,351.04 | 200.00 | 1,551.04 | 1,123.85 | 1.34 | 1,125.19 |
| Total equity & liability | 19,925.15 | (666.00) | 19,259.16 | 17,309.09 | (1,150.40) | 16,158.68 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

for the year ended 31st March, 2018

Note -36 (contd..)

Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

₹ in Lacs

| Particulars | As At March 31, 2017 | | |
|--|----------------------|------------------|------------------|
| | Previous Gaap | Gaap Adjustments | As Per Ind As |
| INCOME | | | |
| Revenue from operations | 24,551.40 | 41.25 | 24,510.15 |
| Other income | 124.54 | - | 124.54 |
| Total income | 24,675.94 | 41.25 | 24,634.69 |
| EXPENSES | | | |
| Cost of materials consumed | 13,393.55 | (57.22) | 13,336.33 |
| Purchase of stock-in-trade | 72.52 | 57.22 | 129.74 |
| Changes in inventories | (458.57) | - | (458.57) |
| Employee benefit expense | 2,188.57 | 17.41 | 2,205.98 |
| Depreciation and amortisation expense | 418.86 | - | 418.86 |
| Other expenses | 6,131.65 | (121.84) | 6,009.81 |
| Finance costs | 649.93 | 28.90 | 678.83 |
| Total expenses | 22,396.51 | (75.53) | 22,320.98 |
| Profit before exceptional items & tax | 2,279.43 | 116.78 | 2,313.71 |
| Exceptional items | - | - | - |
| Profit/(loss) before tax | 2,279.43 | 116.78 | 2,313.71 |
| Income tax expense | | | |
| Current tax | 773.00 | - | 773.00 |
| Deferred tax | 79.35 | - | 79.35 |
| Tax adjustments-earlier years | 15.05 | - | 15.05 |
| Profit for the year | 1,427.08 | 116.78 | 1,446.31 |
| Other comprehensive income | | | |
| A. Items that may be reclassified to profit or loss | - | - | - |
| Income tax relating to these items | | | |
| B. Items that will not be reclassified to profit or loss | - | 61.83 | 61.83 |
| Income tax relating to these items | | | |
| Other comprehensive income for the year (net of tax) | 1,427.08 | 54.95 | 1,384.48 |
| Total comprehensive income for the year | 1,427.08 | 54.95 | 1,384.48 |

Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

₹ in Lacs

| Particulars | AS at | As at |
|---|-------------------------------|------------------------------|
| | March 31 st , 2017 | April 1 st , 2016 |
| Total equity (Shareholders' fund) under Previous GAAP | 8,182.01 | 7,057.53 |
| Reclassification of Redeemable Preference Shares to Liabilities | (200.00) | (200.00) |
| Reversal of Proposed Dividend From Liabilities | 214.90 | 47.76 |
| Reversal of Dividend Distribution Tax on Equity Shares | 43.74 | 4.83 |
| Prior Period Expenses Adjustment | - | (1.35) |
| Total Equity under IND AS | 8,240.66 | 6,908.77 |

The accompanying schedules form an integral part of the accounts.

As per our report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**
CHARTERED ACCOUNTANTS
FIRM REG.NO.002253C

(PARTNER)

RAJIV MEHROTRA
M.No.071428

Place: Kanpur

Dated : 14th May, 2018

For and on behalf of the Board of Directors

ARVIND GUNJAN
Chief Financial Officer

ANKUR SRIVASTAVA
Company Secretary

MANOJ AGARWAL
Managing Director

SHASHANK AGARWAL
Deputy Managing Director



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

FORM OF PROXY

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

| | |
|-----------------------|--|
| Name of the Member(s) | |
| Registered Address | |
| E-mail id | |
| Folio no. / Client id | |
| DP ID | |

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name:.....

Address:.....

E-mail id:.....

Signature:.....; or failing him,

2. Name:.....

Address:.....

E-mail id:.....

Signature:.....; or failing him,

3. Name:.....

Address:.....

E-mail id:.....

Signature:.....

as my/or proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company to be held on Wednesday, the 19th September, 2018 at 3:30 PM at D-19-20, Panki Industrial Area, Kanpur-208022 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution Number | Resolution | For | Against |
|--------------------------|--|------------|----------------|
| 1. | Adoption of Audited Financial Statements for the year ended 31 st March, 2018 together with the Reports of Auditors' and Directors' thereon | | |
| 2. | Declaration of Dividend | | |
| 3. | Re-appointment of Shri Sunil Mehta, who retires by rotation | | |
| 4. | Re-appointment of Shri Shashank Agarwal as Deputy Managing Director | | |

Signed thisday of....., 2018

Signature of the shareholder.....

Affix
revenue
Stamp

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

Note : The form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



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

ATTENDANCE SLIP

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

(Joint Shareholders may obtain additional Attendance Slip on request)

I hereby record my presence at the 47th Annual General Meeting of the Company at 3:30 PM held on Wednesday, the 19th day of September, 2018

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



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

FEEDBACK FORM

Registration / Updation of E-mail id:-

| | | |
|-------------------------|--------------|-------------------|
| Name of the Shareholder | Folio Number | Updated E mail ID |
| | | |

Signature of the Shareholder

DISCLAIMER

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



Providing Solutions for Industrial Bulk Packaging

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

Tel: +91 512 2691113 - 116

Fax: + 91 512 2691117

Email: secretary@kanplas.com

CIN: L25209UP1971PLC003444

www.kanplas.com

