



Providing Solutions for Industrial Bulk Packaging



Converting **Challenges** into **Possibilities**

Kanpur Plastipack Limited | Annual Report 2019-20

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Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forwardlooking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forwardlooking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

Challenges may intimidate but they cannot be overlooked.

And to emerge victorious, the courage to tide through storms adds strength to character, unlocking opportunities to look beyond uncertainty.

In the words of Theodore Roosevelt, **"Believe you can and you're halfway there."**

It is this belief that drives Kanpur Plastipack to discover new trajectories amidst obstacles, to traverse a path to success. With years of expertise and experience, we have continued to establish a distinguished identity, evolving and adapting to changing business needs. Our constant focus on acquiring cutting-edge technology to ensure operational efficiency have continuously supported our endeavours to sustain remarkable achievements.

As we continue to reimagine a brighter future, we aspire to carry forward the learnings of today to design a stable and stronger tomorrow - by converting challenges into opportunities and identifying new possibilities we are welcoming new beginnings.



About Us

Kanpur Plastipack Limited (KPL) is among the world's leading manufacturers of FIBCs and Bulk Bags with an integrated infrastructure framework.

Headquartered in Kanpur, Uttar Pradesh, KPL is today among the leading integrated bulk packaging solutions provider with best-in-class technologies and assets. Our manufacturing plants situated at 3 different locations within Kanpur help us to serve recognized clients across the country and the globe.

Integrated

Manufacturing facility (forward and backward) ensuring higher efficiencies

26400 MT

FIBC, Fabrics & Liner

6550 MT

MFY



Revenue by geographies

21.47%

North America

9.92%

South America

63.43%

Europe

4.82%

Asia

0.36%

Others

Product Portfolio

The Company believes in a continuous path of innovation and diversification.

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



Flexible Intermediate Bulk Containers (FIBC)

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



Fabrics

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

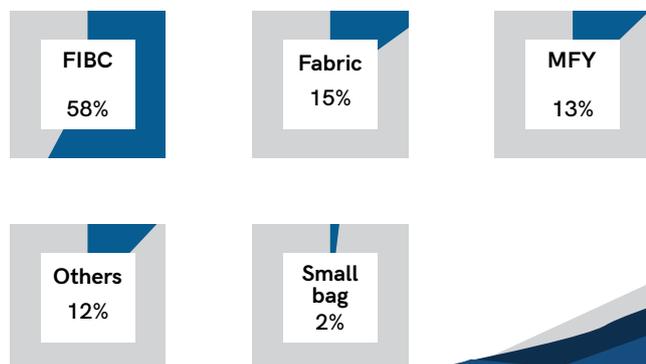


Multi-Filament Yarn (MFY)

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



Revenue by products



Message to the Shareholders



Dear Shareholders,

The Challenges

FY 2019-20 was a challenging year indeed. It didn't behave well for the economy too. In India we witnessed a decline in its GDP growth rate to only 4.2% while globally it was a mere 2.4 %. The onset of the COVID 19 pandemic towards the end of the year did not help matters. We witnessed intense competition from a plethora of marginal companies who had cropped up over the last two years. The dual impact of new players disrupting the market and a down turn in the western economies had a debilitating affect on the fortunes of your company. The sudden withdrawal of the Merchandise Exports from India Scheme (MEIS) and an unprecedented fall in the value of the Rupee towards the end of the year

led us to a situation from which we were unable to come out unscathed. However, each challenge teaches us lessons and, in each lesson, there is an opportunity. The year gone by has taught us many a lesson which we are glad to report is marking a path of success this fiscal.

The unprecedented disruptions and challenges posed by the COVID-19 pandemic contributed to a general sense of helplessness. However, as the world was dealing with the spiraling affects of the pandemic, at KPL, we quickly took decisive action to respond to the unfolding challenges. Your Company resumed operations on the 3rd of April by adhering to the strictest protocols and systems prescribed by the Ministry of Health, Govt of India and the local administration for the safety and wellbeing of our workers. The highly responsive team of your company set

out to quickly restore normalcy in the shortest possible time. Thanks are due to the management, staff and entire workforce of the company who showed excellent resilience and commitment during this period. For once our location in UP proved to be a boon where we did not face any issues related to migration of labour. Customer engagement was a priority and rebuilding confidence to maintain a continuity of supply chain for our customers a goal. A goal we achieved with distinction. Your company has risen to the challenges that occurred and we are glad to report that the efforts put in by the marketing and operations teams have yielded results which we can be proud of.

The Business Overview

The year saw the stabilization of the new capacity that had been created in the

previous year. Getting over the teething problems of plant commissioning and venturing out into the market with this increased capacity in a globally competitive period was sobering. It took much longer than anticipated. Your company also took an important step towards vertical integration by setting up a plant for the inhouse manufacture of UV Master Batches which is an important ingredient used both by our FIBCs as well as MFY divisions. Some further investments in debottlenecking the capacity will help to improve performance.

Our focus was largely towards developing new markets and entering new geographical regions which continues as a key concern area for the Company. Exports to the South American Countries have significantly increased during the year from 3.70% in 2018-19 to 9.92% of export sales during 2019-20 where the acquisition of two important customers has been very fruitful. We have developed a Modified Atmosphere bag for the Indian market which will be used for Food Packaging which was done in collaboration with an overseas partner. Your company lays huge stress on true sustainability and years of work has now resulted in a FIBC bag being made with 100% recycled material.

The Next Decade

The year sees us entering into a new decade which itself will bring in a paradigm shift in the way we do business and the way the world sees us. India, we believe is on the threshold of achieving

“Challenges are a way of life. Coping with them and proving your resilience in face of adversity is what makes you stand apart. We believe we now stand at the threshold of achieving what we had set out to do.”

greatness and your company is aptly placed to be part of this great new journey. Nearing five decades in the service of the Industrial Bulk Packaging industry we can see opportunities coming up for your company. Renewable Energy is a focus area of the Government of India. Apart from offering huge cost savings it offers an opportunity to save the environment. Your company has become only one of the very few companies in the State of Uttar Pradesh to enter into a power purchase agreement for purchase of 9.375 MW Solar Energy for all its three units. Once fully implemented almost 50% of the power consumed in the company would be from Solar Energy.

Challenges are a way of life. Coping with them and proving your resilience in face of adversity is what makes you stand apart. We believe we now stand at the threshold of achieving what we had set out to do. Your company has one of the world's best manufacturing facilities which is now fully commissioned. As a

fully certified food grade facility we have built in capabilities which very few in the world have.

As we aspire to chart our path for a brighter future, your company remains committed to deliver a favourable performance, banking on its products, service offerings and an enviable market standing. We would like to thank all stakeholders for their commitment and service during these challenging times. Most importantly, we would like to thank our shareholders, for their overwhelming trust, support and confidence in your Company.

Regards,

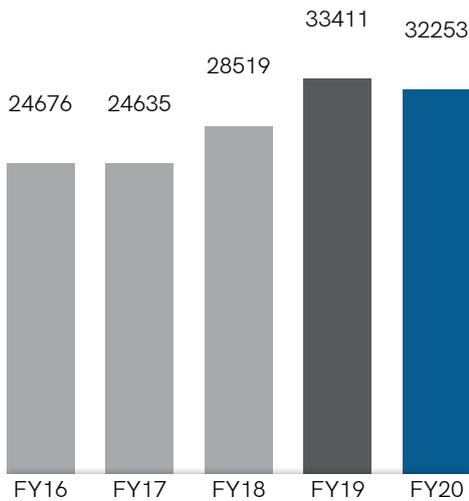
Manoj Agarwal
Managing Director

Shashank Agarwal
Deputy Managing Director

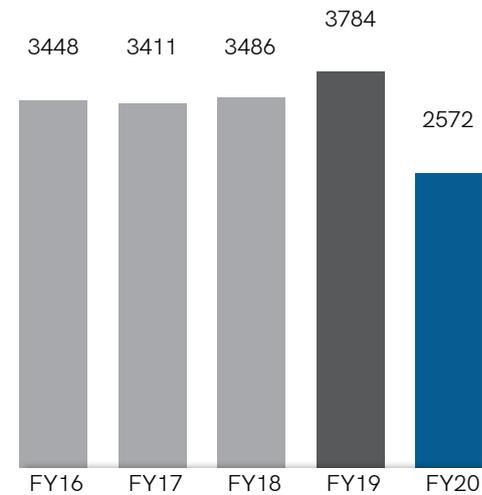
Financial Review

Statement of Profit and Loss Analysis

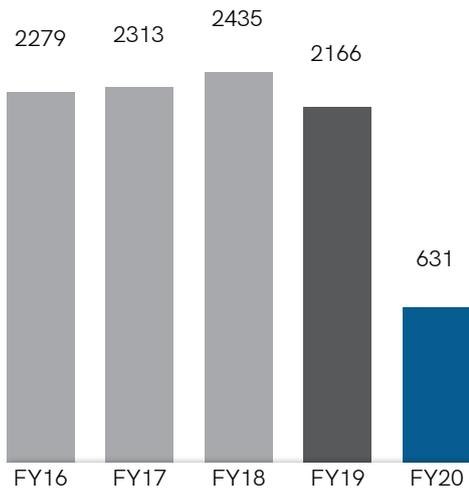
Revenue from Operations
(₹ in lacs)



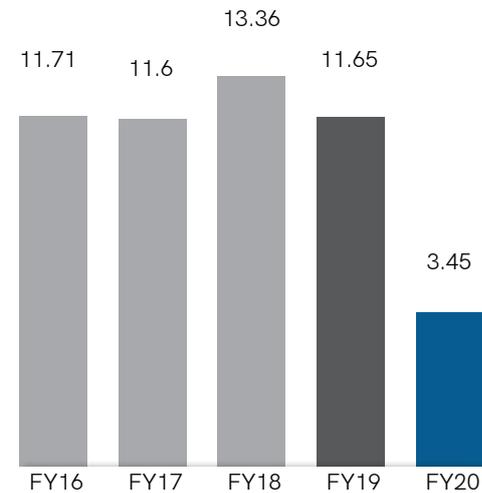
EBITDA
(₹ in lacs)



Profit before Tax
(₹ in lacs)

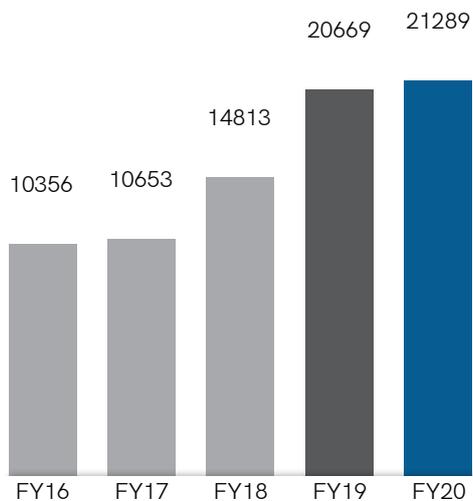


EPS
(in ₹)

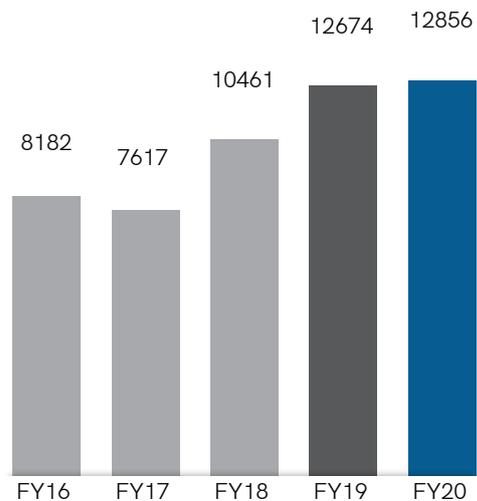


Balance Sheet Analysis

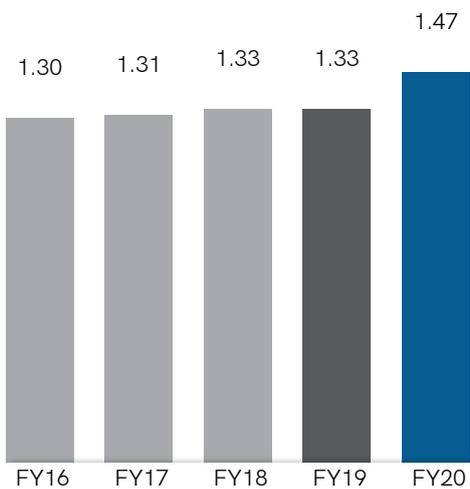
Gross Block
(₹ in lacs)



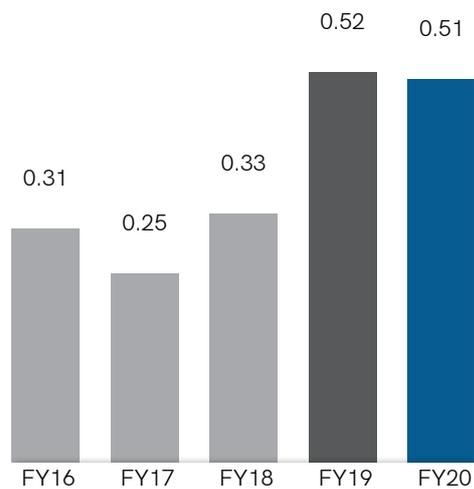
Net Worth
(₹ in lacs)



Current Ratio



Debt Equity Ratio



Profile of Board of Directors



Shri Mahesh Swarup Agarwal Chairman Emeritus

He is the founder of the Company, successfully guiding its operations for the past 49 years. His able leadership and foresight has helped the Company to sustain its growth over the years. He was the President of Merchants Chamber of Uttar Pradesh in 2004-05 and was awarded the 'President's Salute' by the Rotary International President for his outstanding contribution to community service, in 1991. He was also Founder President of Plastic Woven Sacks Manufacturers Association from 1986 to 1988 and also President of Panki Industry Association from 1976 to 1986. He has been honored with the prestigious 'Lifetime Achievement Award' from AIFTMA and TiE UP.



Shri Manoj Agarwal Managing Director

He 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 operations, administration & export marketing. He has been the past Chairman of the Plastics Export Promotion Council and a member of its COA, a Past President of the Tie UP chapter, Past President of Indian Flexible Intermediate Bulk Container Association, Member of the Management Committee of Plastindia Foundation and is actively involved in a number of professional and social bodies.



Shri Shashank Agarwal Deputy Managing Director

He holds a B. Engg. (Hons.) degree in Manufacturing Engineering & Operation Management from the University of Nottingham, UK. He has also done a summer course on International Marketing from Harvard Business School, USA prior to joining the Company where he has now completed 10 years 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.



Smt. Usha Agarwal Woman Director

She is the first Woman Director of the Company. She is an Honors Graduate in Botany from the University of Calcutta and has gained experience in administration. She has also contributed actively in the marketing department of the Company for about six years and her vast expertise and knowledge has been beneficial for the growth of the Company. Actively involved in a number of social and philanthropic organizations as a President and committee member.

Shri Sunil Mehta Executive Director

He holds a B.Tech degree in 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.

Committees Of The Board Of Directors

Audit Committee	●
Stakeholders Relationship Committee	●
Nomination and Remuneration Committee	●
Corporate Social Responsibility Committee	●
Empowered Committee	●
Chairman	☆
Member	△



Shri Prem Singh Khamesra
Independent Director

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



Shri Subodh Kumar
Independent Director

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



Dr. Ram Gopal Bagla
Independent Director

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



Shri Akshay Kumar Gupta
Independent Director

He is a Practicing 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.



Shri Dharam Bir Prasad
Independent Director

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

Committees Of The Board Of Directors

Audit Committee	●
Stakeholders Relationship Committee	●
Nomination and Remuneration Committee	●
Corporate Social Responsibility Committee	●
Empowered Committee	●
Chairman	☆
Member	△

Corporate Social Responsibility

Kanpur Plastipack Ltd. is committed to the **welfare of the community and society, focused on the activities relating to promoting Healthcare, Education, Conservation of Natural Resources and more.**

Our focus areas



Healthcare



Education



Conservation of Natural Resources



Animal Welfare

₹ **46,89,531**

Cumulative spent on CSR in FY 19-20

Highlights:

- A Clinic has been established in Nauriya Khhera village located near our factory to provide **free medical facilities** to the villagers.
- **Health Checkup Camps** for villagers to benefit local population.
- Adopted schools to improve the facilities and equip them with better infrastructure and **drinking water facilities** etc.
- Contribution to promote **education** and **vocational skills** among differently abled children of Jyoti Bal Badhir Vidyalaya.
- A **Training and Skill Development** Center has been established to provide vocational training to enhance the livelihood.
- Ponds and Parks have been adopted for their conservation and beautification in order to conserve **National Resources** and protection of the flora and fauna in the villages Saraichitam and Surar, Kanpur.
- **Animal Welfare** has also been an area of concern and the Company has adopted two leopard cubs at Kanpur Zoo.

Partnering in the fight against Covid-19

As the nation continues its fight against Covid-19 pandemic, the Company has stepped up its efforts to contribute and reduce the impact of the pandemic among the people. Some of the initiatives undertaken were:

- Distributed **face masks** and **sanitizer** to the administration
- Distributed **certified PPE Kits** to the **Central Industrial Security Force (CISF), Lucknow Airport** and **Sanjay Gandhi Post Graduate Institute of Medical Science (PGI), Lucknow.**
- Donated ₹ **5,00,000** to the Chief Minister's Distress Relief Fund-COVID CARE FUND

Corporate Information

Board of Directors

Chairman Emeritus

Mahesh Swarup Agarwal

Managing Director

Manoj Agarwal

Whole Time Directors

Sunil Mehta

Shashank Agarwal

Non Executive Woman Director

Usha Agarwal

Independent Directors

Prem Singh Khamesra

Subodh Kumar

Ram Gopal Bagla

Akshay Kumar Gupta

Dharam Bir Prasad

Company Secretary & Compliance Officer

Ankur Srivastava

CFO

Vishal Jain

Statutory Auditors

Rajiv Mehrotra & Associates

Chartered Accountants

Kanpur

Secretarial Auditors

Adesh Tandon & Associates

Company Secretaries

Kanpur

Bankers

State Bank of India

HDFC Bank

Registrar and Share Transfer Agent

Skyline Financial Services Pvt. Ltd.

D-153/A, 1st Floor,

Okhla Industrial Area, Phase -I,

New Delhi-110 020

Registered Office

D-19-20, Panki Industrial Area,

Kanpur-208 022

Manufacturing Units

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

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

3. Gajner Road, Raipur, Fatehpur
Roshnai Dist., Akbarpur, Kanpur
Dehat- 209121

Corporate Identification Number

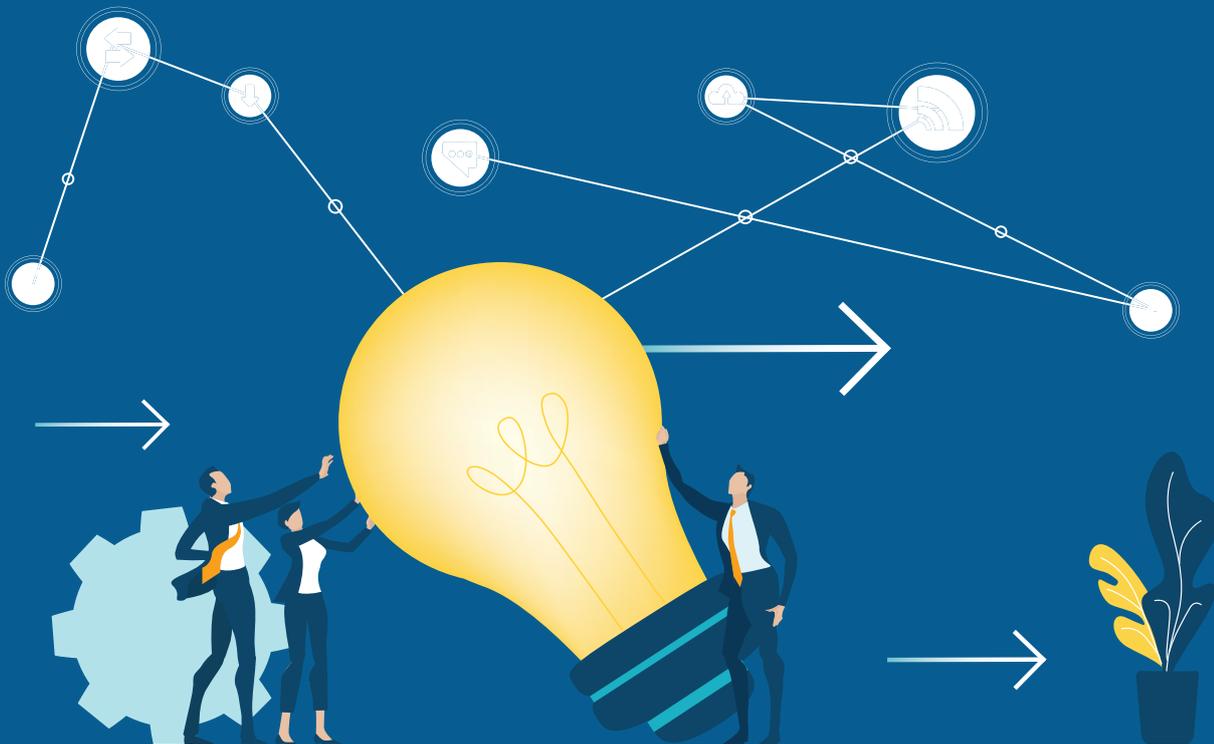
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Website

www.kanplas.com



Statutory Reports



Notice

NOTICE is hereby given that the 49th ANNUAL GENERAL MEETING (AGM) of Members of M/S KANPUR PLASTIPACK LIMITED will be held on **Thursday, the 3rd day of September, 2020 at 12:00 Noon through Video Conferencing (VC) or Other Audio Visual Means (OAVM)** for which purpose the Registered Office of the Company situated at D-19-20, Panki Industrial Area, Kanpur-208022 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following businesses:

Ordinary Business:

1 Adoption of Financial Statements

To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of Auditors and Directors thereon;

2 Declaration of Dividend

To consider declaration of Dividend;

3 Appointment of Smt. Usha Agarwal as Director who retires by rotation

To appoint a Director in place of Smt. Usha Agarwal (DIN: 00997099), who retires by rotation and being eligible, offers herself for re-appointment;

Special Business:

4 Re-appointment of Shri Manoj Agarwal as Managing Director

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 Manoj Agarwal (DIN:00474146) as the Managing Director of the Company for a further period of 3 years w.e.f., 1st September, 2020 to 31st August, 2023, as recommended by the Remuneration and Nomination Committee on the following Terms and Conditions:

- I. Remuneration: ₹ 5,20,000/- ₹ 40,000/- ₹ 6,00,000/- per month.
- II. Perquisites: Perquisites shall be allowed in addition to salary as under. However, these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter:
 - III. Commission: 3% of Net Profits of the Company (payable annually).
 - i) The Company shall provide him unfurnished accommodation and in lieu of the same company shall deduct seven and half percent of basic salary from the monthly salary payable to him. The Company shall also provide such furniture and furnishing as may be required by the Managing Director. Further, the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
 - ii) Reimbursement of actual medical expenses incurred for self and family in India and / or abroad including hospitalization, subject to a ceiling of one month's salary in a year or three months' salary over a period of 3 years.
 - iii) Leave Travel Concession for self and family once in a year to any place in India or abroad subject to ceiling of one month's salary.
 - iv) Fees of club subject to maximum of two clubs. No admission and life membership fee will be paid.
 - v) Personal Accident Insurance of an amount, the annual premium of which shall not exceed ₹ 30,000/-
 - vi) Gratuity as per the rules of the Company but shall not exceed half month's salary for each completed year of service.
 - vii) Encashment of leave at the end of tenure of service will not be included in the computation of the ceiling on perquisites.
 - viii) He will not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committees thereof.
 - ix) He will be entitled to free use of Company's Car with driver for official as well as for personal purpose.
 - x) The Company shall provide him mobile phone and telephone and other communication facilities at residence and these further will not be considered as perquisites.

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

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

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

5 Ratification of the remuneration of Cost Auditor

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 85,000/- payable to M/s Rakesh Misra & Company, Cost Auditors appointed by the Board of Directors of the Company as the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2021 be and is hereby ratified.”

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

Place: Kanpur
Date : 29th July, 2020

Ankur Srivastava
Company Secretary

NOTES :

1. In view of severe outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), and Securities and Exchange Board of India (SEBI) have permitted the Companies to conduct their Annual General Meeting through Video Conferencing (VC) or other Audio Visual Means (OAVM) during the calendar year 2020.
2. In view of MCA General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020, Circular of SEBI dated 12th May, 2020 and other applicable circulars issued by the SEBI and MCA in this regard, the 49th Annual General Meeting (AGM) will be conducted through Video Conferencing or any other Audio Visual Means, as permitted. Hence, physical attendance of the Members to the AGM venue is not required and the members can attend and participate in the ensuing AGM through VC/OAVM.
3. As physical presence of members is dispensed with, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence, proxy form and attendance slip are not annexed herewith. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to adesh.tandon11@gmail.com with a copy marked to evoting@nsdl.co.in.
5. In compliance with the above Circulars of MCA and SEBI, the Annual Report 2019-20, the Notice of the 49th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
6. Members may also note that the Notice of the 49th AGM and the Annual Report 2019-20 will also be available on the Company's website, www.kanplas.com and website of the Stock Exchange, i.e. BSE Limited at www.bseindia.com.
7. 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.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from 28th August, 2020 to 3rd September, 2020 (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 / transmission / transposition in physical form lodged with the Company on or before 28th August, 2020 and the beneficial owners as per the Beneficiary List at the close of the business hours on 28th August, 2020 as provided by NSDL and CDSL.
9. The payment of Dividend shall be subject to deduction of Tax at Source as per applicable Income Tax Act and Rules.
10. 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 the Registrar.
11. The members are hereby informed that the Company has transferred the amount of unpaid dividend for the year 2011-12, which remained unpaid over a period of 7 years, to the Investor Education and Protection Fund (IEPF) constituted under Section 125 of the Companies Act, 2013. It is pertinent to mention that no claim of investors shall lie against IEPF. The details of unpaid dividend are as follows :-

Sl. No.	Dividend Year	Unpaid Balance as on 31/03/2020 (In ₹)
1.	2012-13	5,37,186.00
2.	2013-14	6,42,434.40
3.	2014-15	6,95,236.80
4.	2015-16 (Interim)	7,29,272.40
5.	2015-16	3,49,401.00
6.	2016-17	14,88,683.40
7.	2017-18	5,30,431.20
8.	2018-19	5,23,366.20

Investors are advised to send all un-encashed dividend warrants pertaining to the years shown above to the Company for revalidation. It is further informed that unclaimed/ unpaid dividend pertaining to the Financial Year 2012-13 will become due for transfer to Investor Education and Protection Fund (IEPF) on 15.10.2020.

12. 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.

13. Notices have been served to the individual shareholders whose shares are liable to be transferred to IEPF Suspense Account. The underlying shares will be due to be transferred to the IEPF Suspense Account in October, 2020. Therefore, shareholders are requested to please claim their unpaid dividend for earlier years at the earliest.
14. 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.
15. 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.
16. 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 except in case of transmission / transposition of securities.
17. In case of physical transmission of shares, copy of PAN Card of the transferee is mandatory.
18. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
19. Investors holding shares in physical form are advised to opt for Electronic Clearing System (ECS) to avail fast and safe remittance of dividend. A photocopy of a leaf of your Cheque book bearing your Account Number may also be sent along with mandate.
20. **Electronic copy of the Annual Report is being sent to all Members whose email IDs are registered with the Company / Depository Participants (DP) for communication purposes. Members who have not got their email id registered with the Company are requested to inform your email id to the Company or its RTA in case of physical holding and in case**

of demat holding update your email id with the depository participant. Investors may also download the Annual Report of the Company from the website of the Company or website of Stock Exchange as well.

21. 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.
22. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
23. **Members are requested to register / update their e mail id.**
24. All material documents are open for inspection by the members on all working days at the Registered Office of the Company till the conclusion of the Annual General Meeting.
25. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are provided in the Corporate Governance Report forming part of the Annual Report and Explanatory Statements of the notice as the case may be.
26. Since the AGM will be held through VC/ OAVM Facility, the Route Map is not annexed with this Notice.

DIVIDEND RELATED INFORMATION:

27. Subject to approval of the Members at the AGM, the dividend will be paid to the Members whose names appear on the Company's Register of Members as on the Record Date, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
28. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service.

29. Shareholders are requested to register / update their complete bank details: (a) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and (b) with the Company by emailing at secretary@kanplas.com or grievances@skylinerta.com, if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf. In case shares are held in dematerialised mode, details in a form prescribed by your Depository Participant may also be required to be furnished.
30. Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April 2020. **However, no tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed ₹ 5,000/-** The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

A RESIDENT SHAREHOLDERS:

A.1 Tax Deductible at Source for Resident Shareholders

Sl. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Valid PAN updated in the Company's Register of Members	7.50%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

A.2 No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company / RTA

Sl. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence that the said provisions are not applicable.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	Recognised provident funds / Approved superannuation fund / Approved gratuity fund	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961

B NON-RESIDENT SHAREHOLDERS:

Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no.4 of the below table with the Company / RTA

Sl. No.	Particulars	Withholding tax rate	Documents required (if any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration number / certificate.
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: <ol style="list-style-type: none"> 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority. Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority

31. **Shareholders are requested to please provide the abovementioned documents upto 28th August, 2020 in this regard.** No communication would be accepted from members after 28th August, 2020 regarding the tax withholding matters.

32. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.

E-VOTING AND VIDEO CONFERENCING:

33. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors,

Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

34. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

35. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited

(NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

36. The facility for voting through electronic voting system 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.
37. The recorded transcript of the forthcoming AGM, shall also be made available on the website of the Company www.kanplas.com in the Investor Relations Section, as soon as possible after the Meeting is over.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The EVEN of the Company is 113270.

The remote e-voting period begins on 31st August, 2020 at 9:00 A.M. and ends on 2nd September, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials,

click on "e-Voting" and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8CharacterDPIDfollowedby8DigitClientID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. **Your password details are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. **Select "EVEN" of the Company is 113270.**
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to adesh.tandon11@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to NSDL at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretary@kanplas.com or grievances@skylinerta.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretary@kanplas.com or grievances@skylinerta.com.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsd.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at secretary@kanplas.com 2 days prior to the date of AGM.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretary@kanplas.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker 2 days prior to the date of AGM will only be allowed to express their views/ask questions during the meeting.

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 29th July, 2020 have, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to the approval of shareholders, re-appointed Shri Manoj Agarwal as Managing Director for a period of 3 years w.e.f. 1st September, 2020 at the remuneration as recommended by the Nomination and Remuneration Committee of the Board.

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

Shri Manoj Agarwal holds 1356523 equity shares of the Company. He holds directorships in following Companies:

Other Companies Directorship:

1. KPL Packaging Pvt. Ltd.
2. MSA Investment & Trading Co. Pvt. Ltd.
3. KSM Exports Ltd.
4. The Plastics Export Promotion Council
5. Valex Ventures Limited (UK)

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

Shri Manoj Agarwal a Management Graduate, Managing Director has been guiding the Company's operations for over 40 years. Under his able leadership, the Company's operations have improved considerably from an annual turnover of about ₹ 100 Crores in the year 2009-10 to the present turnover which has reached to about ₹ 350 Crores. With his efforts there has been tremendous growth of the value added export products which is the back bone of the Company's operations.

Memberships / Chairmanships of Board Committees, shareholding and relationships amongst Directors' *inter-se*

as stipulated under Regulation 34 of Listing Regulations, are provided in the Corporate Governance Report forming part of the Annual Report.

Shri Mahesh Swarup Agarwal, Smt Usha Agarwal and Shri Shashank Agarwal being relatives and Shri Manoj Agarwal being himself may be deemed to be interested in the resolution set out at item No. 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 these resolutions.

Your Directors recommend passing of above resolutions as Special Resolution.

ITEM NO. 5

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Board, on the recommendation of the Audit Committee, in its Meeting held on 29th July, 2020 have appointed M/s. Rakesh Misra & Co, Cost Accountants, (Firm Registration No. 000249), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2020-21 at a fee of ₹ 85,000 subject to TDS and GST etc., as applicable,

apart from out of pocket expenses, as remuneration for cost audit services for the Financial Year 2020-21. As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2021.

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

Your Directors recommend passing of above resolutions as Ordinary Resolution.

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

Place: Kanpur
Date : 29th July, 2020

Ankur Srivastava
Company Secretary

OTHER GENERAL INFORMATION:

- i) The Company is mainly engaged in manufacturing and export of FIBCs (Flexible Intermediate Bulk Container) commonly known as Jumbo Bags, Woven Sacks, PP Fabrics and PP High Tenacity Multifilament Yarn (MFY). The turnover of the Company and its financial performance during last 3 years have been as under :

(₹ In Lacs)

Year	Sales & Other Income	Operating Profit	Net Profit
2019-20	32254	2573	493
2018-19	33411	3784	1620
2017-18	28519	3486	1592

- ii) The Export performances of the Company are ₹ 22100 Lacs, ₹ 21917 Lacs and ₹ 23137 Lacs during 2017-18, 2018-19 and 2019-20 respectively.
- iii) The figures of previous year have been re-grouped / re-casted wherever found necessary.
- iv) There is no foreign investment or collaborators.
- v) Shri Manoj Agarwal is son of Shri Mahesh Swarup Agarwal and father of Shri Shashank Agarwal. Smt. Usha Agarwal is wife of Shri Manoj Agarwal.
- vi) Shri Manoj Agarwal does not have any pecuniary relationship with the Company except as an employee.
- vii) The background and other details of Shri Manoj Agarwal are provided in the Explanatory Statement of the Notice.

- viii) The past remuneration of Shri Manoj Agarwal was ₹ 4,60,000/- p.m. plus other perks.
- ix) In the industry, it is a normal trend of providing remuneration to the Chief Executives about ₹ 75 Lacs to ₹ 1 Crores plus other perks and commission linked with the profits of the Company. With the exemplary efforts of Shri Manoj Agarwal, performance of the Company has remarkably improved and their proposed remuneration does not exceed the industry norm.
- x) The Company has earned profits after tax to the tune of ₹ 493 Lacs during the financial year ended 31/03/2020 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 : 29th July, 2020

Ankur Srivastava
Company Secretary

Board's Report

Dear Members,

Your Directors are pleased to present their 49th Annual Report together with Audited Financial Statements for the financial year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS:

Particulars	(₹ in Lacs)	
	2019-20	2018-19
Sale of products	31471.80	31786.00
Other Income	781.78	1625.20
Total Income	32253.58	33411.20
Profit Before Tax	631.42	2166.10
Less: Current Tax	105.52	466.78
Less: Earlier year Tax Adjustment	12.26	48.41
Less: Deferred Tax	20.60	30.79
Net Profit After Tax	493.04	1620.12
Balance profit from Last Years	9410.66	8087.57
Less: Appropriations:		
Other Comprehensive Incomes	(0.31)	(13.65)
Transfer to General Reserve	-	-
Final Dividend on Equity Shares Paid during the year	257.63	257.71
Tax on Dividend	52.95	52.97
Balance carried to Balance Sheet	9593.43	9410.66

REVIEW OF OPERATIONS AND OUTLOOK:

The past year has seen some unprecedented events taking place leading to some unexpected consequences.

The year 2019-20 was a challenging one indeed even without the Covid Crises and your company was impacted by the volatility in the global market, increased competition from within the country and an affected geopolitical environment. Despite this, it is heartening to note that the operational performance of the Company has improved in the spheres of production, exports & sales in volume terms although the financial performance was impacted. Following are the key highlights of your company's achievements during the year:

Operational milestones:

- Production increased by 15% on YoY
- Total Sales increased by 18% on YoY
- Export Sales increased by 18% on YoY
- Domestic Sales increased by 16% on YoY

The profitability in the financial year 2019-20 was drastically affected and the FY 2019-20 closed with the net profit of ₹ 493 Lacs against ₹ 1620 Lacs in the previous year. Total Turnover and Export sales were ₹ 32253.58 Lacs and ₹ 23137.71 Lacs as against ₹ 33411.20 Lacs and ₹ 21917.40 Lacs, respectively, in the previous FY 18-19. The profitability despite a higher Production and sales in quantity terms was impacted primarily due to following reasons:

- Increased allocation of depreciation on the new CAPEX as well as higher finance costs.
- The global market has experienced a downturn and increased competition has affected the performance of the Company by putting pressure on margins.
- MEIS (Merchandise Exports from India Scheme) on FIBC's was suddenly withdrawn by the Government w.e.f. 1st August, 2019 and despite strong follow-ups is yet to be restored. This had a negative impact of ₹ 5 Cr. on the bottom line.

- Fixed cost incurred on salary, wages, power and other overheads due to complete closure of factory from 22nd March, to 31st March, 2020 amounting to ₹ 1.61 Cr.
- One time MTM loss on FCTL taken in November, 2019 and Unutilized Forwards amounting to ₹ 3.5 Cr. The Rupee faced a free fall in the last fortnight of March, 2020 and with dispatches not taking place adequately both the factors created this problem.

Operational:

- Volumes of Sales recorded during FY 2019-20:

Product	(in MT)	
	2019-20	2018-19
FIBC	10374	10218
Fabrics	3646	1622
MFY	3403	3012
Bags	306	352
Total	17729	15204

- The Roof Top Solar Plant generated 4.50 Lacs units of electricity during the year reducing the carbon foot print by about 7.5 Lacs Kg.
- The Dealer Operated Polymer Warehouse activity of IOCL remained steady and we sold 14726 MT in the current year against 13640 MT in the previous year.

Your Company continues to leverage on technological upgradation and innovation. The management therefore lays emphasis on exports of value added products and expanding the geographical reach of its export market is your Company's priority. Retention of our customer base is an important feature of our philosophy and the Company works towards that goal.

The Company's export order book remains robust and demand for your Company's products has not slackened leading us to believe that your company is far better placed to serve its Global customers now. We have seen a significant increase in customer loyalty arising out of the highly interactive approach adopted by the marketing team in customer engagement during the lockdown period.

COVID 19

The outbreak of Covid 19 and the full closure of your company's operations from the 22nd of March, 2020 affected the year end performance. However, your company resumed its operations partially on the 3rd of April, 2020 gradually ramping up over the last three months and are glad to report that it is now fully operational.

Your Directors wish to place on record their appreciation to the Company's employees, suppliers, customers & Government authorities for their selfless efforts which helped your Company reach normalcy in operations within a few weeks of the lock-down. The ownership and responsiveness shown by all the stakeholders was unparalleled and is a testimony of the spirit and legacy of your Company. All steps necessary for the safety and welfare of the employees have been taken and the management remains committed to keep that as a top priority. We shall review the long term impact of the pandemic and take all steps necessary to adapt itself to the emerging changes and the new normal.

Despite the global pandemic demand in the EU and the USA is stable. The world is looking towards suppliers with reliability and the ability to transform proactively in a crisis like this and we are glad to inform that the management of the company responded extremely well. Going forward a level of uncertainty cannot be ruled out and as the world begins to grapple with the "new normal" there are positives to pick up from this crisis which has been an excellent training ground for us. We look forward to a better year ahead as the Company is on track to regain its profitability in the current financial year.

CREDIT RATING:

Bank Loan Facilities have been rated with BBB/Stable for Long Term and A3+ for Short Term Facilities by CRISIL.

SHARE CAPITAL:

As on 31.03.2020 your Company has total shares capital of ₹ 14,31,25,640.00 divided into 1,43,12,564 equity shares of ₹ 10/- each.

DIVIDEND:

Your Directors have recommended a final dividend @ 6% i.e. ₹0.60 per Equity Share for the financial year 2019-20. Payment of dividend is subject to the approval of shareholders.

DIRECTORS:

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

Dr. Ram Gopal Bagla was re-appointed for a further period of 5 years as Independent Directors w.e.f. 01/04/2019 to 31/03/2024 by way of Special Resolution passed by the Shareholders in the Extraordinary General Meeting held on 18th April, 2019.

The Board of Directors have re-appointed Shri Manoj Agarwal as the Managing Director on fresh terms and conditions as recommended by the Nomination and Remuneration Committee, subject to the approval of shareholders at the ensuing Annual General Meeting, for a further period of 3 years w.e.f. 1st September 2020.

MEETINGS OF THE BOARD OF DIRECTORS:

During the year your Company has conducted 5 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 paperless Board meetings platform.

KEY MANAGERIAL PERSONNEL:

Following are the Key Managerial Personnel of your Company:

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

DECLARATION OF INDEPENDENT DIRECTORS:

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

DEPOSITS:

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

CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI).

The report on Corporate Governance as stipulated under the Listing Regulations is annexed to the Annual Report as Annexure 'A' and Management Discussion and Analysis Report also forms part of this Report.

The Certificates certifying that :

- (i) the Company has complied with the requirements of Corporate Governance in terms of SEBI (LODR) Regulations, 2015; and
- (ii) none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ MCA or any such authority.

are attached and forms the part of this Report.

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

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2019-20 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 Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 'C' which forms part of this Report.

AUDITORS:

I. Statutory Auditors and their Report

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

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

II. Cost Auditors

As per Section 148 of the Companies Act, 2013 read with Companies (Auditor's Report) Order, 2015, the Company has maintained all the costing records, as required, and appointed M/s Rakesh Misra & Company, Cost Auditors to conduct the Cost Audit for the financial year 2019-20.

The cost audit report for the financial year 2019-20 will be filed within the stipulated time.

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 2019-20. The Secretarial Audit Report, as placed by the Auditor is annexed with this Report as Annexure 'D'. There was no qualification, reservation or adverse remark made by the Auditor in their respective report.

IV. Internal Auditors

During the year under review M/s SKVA & Co., Chartered Accountants were the Internal Auditors of the Company. Their reports were placed before the Audit Committee of the Company from time to time. M/s SKVA & Co. has tendered their resignation and the Board of Directors has appointed new Internal Auditors M/s S N Saraogi & Associates, Chartered Accountants to conduct the Internal Audit for the financial year 2020-21.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

ANNUAL RETURN:

As per the requirement of Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, the Annual Return for the year 2019-20 has been placed on the website of the Company. at <http://www.kanplas.com/investors/financials/>.

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 2020-21 has been paid within the stipulated time.

CORPORATE SOCIAL RESPONSIBILITY:

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

VIGIL MECHANISM (WHISTLE BLOWER POLICY):

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

RISK MANAGEMENT:

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

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

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

MATERIAL CHANGES AND COMMITMENTS:

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

INDIAN ACCOUNTING STANDARDS:

Your Company has adopted Indian Accounting Standards ('Ind- AS') with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015.

BOARD EVALUATION:

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

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

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

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

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

RELATED PARTY TRANSACTIONS:

During the year no contracts / arrangements were entered / renewed by the Company with related parties in terms of the provisions of Section 188(1) of the Companies Act, 2013.

All the transactions with the related parties entered during the year 2019-20 were in the ordinary course of business, on arm's length basis and approved by the Audit Committee. Further, no material related party transaction was entered during the year under review.

Disclosure as required under section 134(3)(h) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, in form AOC-2, is not applicable as all the contracts entered by the Company during the year are on arms length basis and there was no material contract or arrangement.

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

COMPANYS' POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

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

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the Annual Accounts of the Company on a going concern basis.
- v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT:

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

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

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

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

Place: Kanpur
Date: 29th July, 2020

(Shashank Agarwal)
Deputy Managing Director

(Manoj Agarwal)
Managing Director

Annexure- 'A' to the Directors' Report

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

adopted paperless board meetings to enhance transparency and governance in the Board Processes.

2. BOARD OF DIRECTORS:

As on 31st March, 2020, 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 2019-20 are as under:

Name of the Director	Category	No of Equity Shares Held	No. of Board Meetings Attended	Whether attended last AGM	No. of Other Directorship	No. of Other Committees Chairmanship	No. of Other Committees Membership
Shri Mahesh Swarup Agarwal	Promoter -Non-Executive	2542401	5	Yes	3	-	-
Shri Manoj Agarwal	Promoter-Executive	1352523	5	Yes	5	-	-
Shri Shashank Agarwal	Promoter-Executive	1090564	5	Yes	5	-	-
Smt. Usha Agarwal	Promoter - Non-Executive	2009866	4	No	2	-	-
Shri Sunil Mehta	Executive	NIL	5	Yes	1	-	-
Shri Prem S. Khamesra	Non-Executive & Independent	NIL	5	Yes	6	-	-
Shri Subodh Kumar	Non-Executive & Independent	NIL	5	Yes	-	-	-
Shri Ram Gopal Bagla	Non-Executive & Independent	NIL	5	Yes	-	-	-
Shri Akshay Kumar Gupta	Non-Executive & Independent	NIL	4	No	1	-	-
Shri Dharam Bir Prasad*	Non-Executive & Independent	NIL	4	Yes	1	-	-

*Shri Dharam Bir Prasad appointed w.e.f. 27/05/2019.

Appointment / Re-Appointment:

Smt. Usha Agarwal is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. In view of valuable contribution, guidance and support received from her, your Directors recommend her re-appointment.

The Board of Directors have re-appointed Shri Manoj Agarwal as Managing Director, subject to the approval of shareholders at ensuing Annual General Meeting, for a period of 3 years w.e.f. 1st September, 2020. The brief profile and other details of Shri Manoj Agarwal are given in the Notice for perusal of members.

Dr. R. G. Bagla was reappointed for a further period of 5 years as Independent Directors w.e.f. 01/04/2020 to 31/03/2025 by way of Special Resolution passed by the shareholders in the extraordinary general meeting held on 18/04/2019.

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 2019-20:

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

Sl.No.	Date of Board Meeting	Strength of Board	No. of Members Present
1	27 th May, 2019	9	9
2	1 st August, 2019	10	10
3	12 th September, 2019	10	8
4	11 th November, 2019	10	10
5	03 rd February, 2020	10	10

3. AUDIT COMMITTEE:

The Audit Committee was duly constituted comprising 4 Directors namely Dr. Ram Gopal Bagla as Chairman and Shri Akshay Kumar Gupta, Shri Dharam Bir Prasad 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 2019-20. The details of the meetings are as under:-

Sl.No.	Date	Committee Strength	No. of members present
1	27 th May, 2019	3	3
2	1 st August, 2019	3	3
3	11 th November, 2019	4	4
4	03 rd February, 2020	4	4

The terms of reference of the Audit Committee include review of Quarterly, Half-Yearly and Annual financial statements before submission to the Board for its approval, to review adequacy of internal control system, to apprise

the Board on the impact of accounting policies, accounting standards and legislation, to hold periodical discussions with Statutory and Internal Auditors on the scope and content of the audit and to review the Company's financial and risk management policies. The members of the Committee are well versed in matters relating to finance, accounts, company law, other economic legislation and general management practices.

4. NOMINATION AND REMUNERATION COMMITTEE:

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

The Committee, *interalia*, looks into the matters, in accordance with the remuneration policy of the Company, to identify persons who are qualified to become Directors and who may be appointed in senior management and to recommend to the Board their appointment and/or removal, to carry out evaluation of every Director's performance, to formulate the criteria for determining qualifications, positive attributes and independence of a Director, and matters relating to the remuneration for the Directors and Key Managerial Personnel. During the year 1 meeting of the Nomination and Remuneration Committee was held. The details of the meeting and attendance thereof are as under:-

Sl.No.	Date	Committee Strength	No. of members present
1	27 th May, 2019	4	4

Performance evaluation of Independent Directors was conducted 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, was paid during the year besides reimbursement of expenses of traveling etc. The Company has no pecuniary relationship or transaction

with its non-executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings except as shareholders. The details of the remuneration given to the individual directors are given below:

Name of the Director	Remuneration	Perquisites	Commission/ performance Incentive	Sitting Fee	Stock Option	(₹ in Lacs)	
						Others	Total
Mahesh Swarup Agarwal	-	-	-	1.10	-	18.00	19.10
Manoj Agarwal	69.15	-	-	-	-	-	69.15
Shashank Agarwal	60.54	-	-	-	-	-	60.54
Sunil Mehta	37.03	-	5.00	-	-	-	42.03
Usha Agarwal	-	-	-	0.95	-	-	0.95
Prem Singh Khamesra	-	-	-	1.23	-	-	1.23
Ram Gopal Bagla	-	-	-	1.28	-	-	1.28
Subodh Kumar	-	-	-	1.20	-	-	1.20
Akshay Kumar Gupta	-	-	-	0.95	-	-	0.95
Dharam Bir Prasad	-	-	-	0.85	-	-	0.85

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

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

Sl.No.	Date	Committee Strength	No. of members present
1	27 th May, 2019	4	4
2	1 st August, 2019	4	4
3	11 th November, 2019	5	5
4	03 rd February, 2020	5	5

The Committee look after the matters relating to transfer / transmission / transposition 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 04 investor grievances were received which were duly resolved to the satisfaction of the shareholders.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The constitution of the committee comprises of Shri Prem Singh Khamesra as Chairman and Shri Shashank Agarwal, Shri Subodh Kumar and Smt. Usha Agarwal as members. The Committee met 4 times during the year 2019-20, the details of which are given below:

Sl.No.	Date	Committee Strength	No. of members present
1	27 th May, 2019	4	4
2	1 st August, 2019	4	4
3	11 th November, 2019	4	4
4	03 rd February, 2020	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 activities and to monitor the CSR activities of the Company from time to time, etc.

7. GENERAL BODY MEETING:

Annual General Meeting:

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

2018-19	
Date and Time	: 12 th September, 2019 at 12:00 Noon
Special Resolution	: 1. Reappointment of Shri Sunil Mehta as Executive Director 2. Increase the limits of borrowing and mortgage under section 180(1)(a) and Section (180)(1)(c)
2017-18	
Date and Time	: 19 th September, 2018 at 3:30 PM
Special Resolution	: 1. Reappointment of Shri Shashank Agarwal as Deputy Managing Director
2016-17	
Date and Time	: 15 th September, 2017 at 12:00 Noon
Special Resolution	: 1. Reappointment of Shri Manoj Agarwal as Managing Director

Extraordinary General Meeting:

During last 3 years 1 EGM was held at the registered office of the Company at D-19-20, Panki Industrial Area, Kanpur - 208 022. The date and time of the EGM held during last three years and the Special Resolution(s), if any, passed there at are as follows:

2019-20	
Date and Time	: 18 th April, 2020 at 1:00 PM
Special Resolution	: 1. Approval of continuation of directorship of Shri Mahesh Swarup Agarwal, Chairman Emeritus. 2. Approval of continuation of directorship of Dr. Ram Gopal Bagla and reappointment as Independent Director for a further period of 5 years w.e.f. 01/04/2020. 3. Approval and ratification of the re-appointment of Shri Prem Singh Khamesra, Independent Director for a further period of 5 years w.e.f. 01/04/2019. 4. Approval and ratification of the re-appointment of Shri Subodh Kumar, Independent Director for a further period of 5 years w.e.f. 01/04/2019. 5. Approval for re-issue / cancel/ dispose off the forfeited shares.

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 2019-20:-

- a) a) 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;

- b) The Company has complied with all the mandatory requirements and most of the discretionary requirements specified in Part E of Schedule II of the SEBI (LODR) Regulations, 2015;
- c) 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.
- d) 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.
- e) Shri Mahesh Swarup Agarwal, Shri Manoj Agarwal, Smt. Usha Agarwal and Shri Shashank Agarwal are relatives. There is no pecuniary or other relationship among any other Directors of the Company. Independent Directors are not related themselves, with the Company or any of its Directors.

- f) The details of familiarization programmes imparted to the Independent Directors have been disclosed at the website of the Company the weblink of the same is <http://www.kanplas.com/wp-content/uploads/Details-of-Familiarization-programme-imparted1.xlsx>

9. MEANS OF COMMUNICATION:

The quarterly and Annual Results of the Company are sent to the Stock Exchange, where the Company's shares are listed, immediately after they are approved by the Board. These are also published in regional language (Hindi) newspaper and in National English Daily as per the SEBI (LODR) Regulations. Quarterly and Annual Results and the Annual Report and other information are also available on the website of the Company i.e. www.kanplas.com. In compliance with the directives of Ministry of Corporate Affairs and Securities and Exchange Board of India, the Annual Report 2019-20, the Notice of the 49th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).

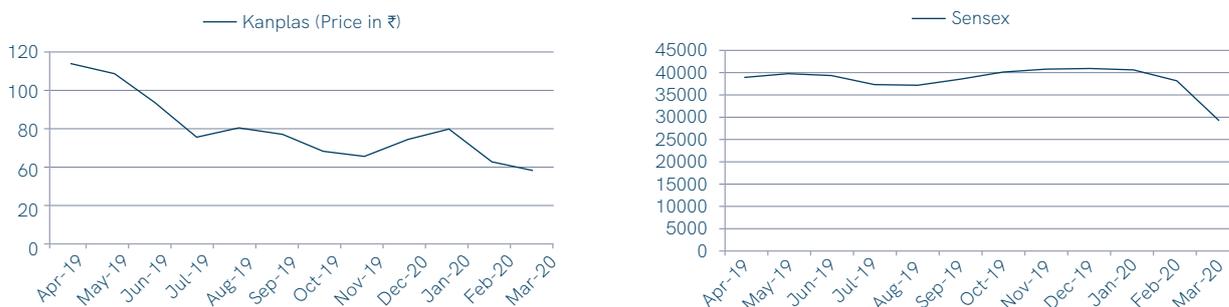
10. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting	Date :	3 rd September, 2020
	Time :	12:00 Noon
	Venue :	D-19-20, Panki Industrial Area, Kanpur 208 022.
(ii) Financial Year	:	1 st April, 2019 to 31 st March, 2020
(iii) Date of Book Closure	:	28 th August, 2020 to 3 rd September, 2020 (both days inclusive)
(iv) Dividend payment date, if declared	:	7 th September, 2020
(v) Listing on Stock Exchanges	:	Bombay Stock Exchange, Mumbai (The Company is up-to-date on the payment of Annual Listing fees)
(vi) Stock Code	:	507779

(vii) Market Price Data At BSE:

Month	High (₹)	Low (₹)
Apr-19	124.50	112.05
May-19	117.40	101.20
Jun-19	110.95	75.00
Jul-19	94.70	67.00
Aug-19	79.00	62.00
Sep-19	82.00	66.00
Oct-19	75.00	50.00
Nov-19	64.50	53.00
Dec-19	67.00	53.10
Jan-20	76.90	62.20
Feb-20	71.15	50.50
Mar-20	54.90	35.00

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



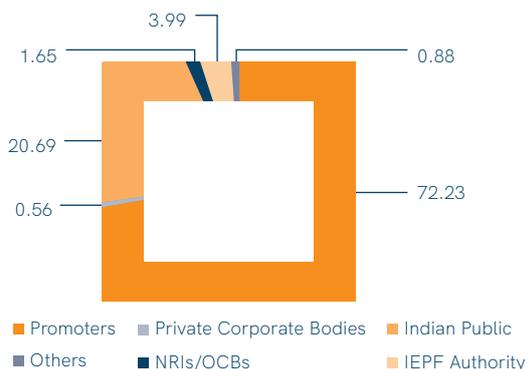
(ix) Registrar and Share Transfer Agent (RTA) : Skyline Financial Services Pvt. Ltd.

D-153/A, 1st Floor, Okhla
Industrial Area, Phase-I
New Delhi- 110 020

(x) Share Transfer System:-

The shares received for transmission/transposition 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, 2020:



Category	No. of Shares held	% of Share holding
Promoters	10338010	72.23
Private Corporate Bodies	80642	0.56
FII's	-	-
Indian Public	2961269	20.69
NRIs/OCBs	235954	1.65
IEPF Authority	570331	3.99
Others	126358	0.88
TOTAL	14312564	100%

(xii) Distribution of Shareholding as on 31st March 2020:

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
Up To 5,000	7240	98.77	2262223	15.81
5001 To 10,000	45	0.61	318194	2.22
10001 To 20,000	18	0.25	239185	1.67
20001 To 30,000	4	0.06	99524	0.70
30001 To 40,000	6	0.08	221695	1.55
40001 To 50,000	1	0.01	42624	0.30
50001 To 1,00,000	4	0.06	288240	2.01
1,00,000 and Above	12	0.16	10840879	75.74
Total	7330	100	14312564	100

(xiii) Dematerialization of shares: -

The Company's shares are under demat mode as well. The ISIN of the Company is INE694E01014. As on 31st March, 2020, 96.95% equity shares of the Company are in dematerialized mode.

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

: Not Applicable

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

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

(xvi) Plant and Location:

- (i) Registered Office : D-19-20, Panki Industrial Area,
Kanpur – 208 022
- (ii) Manufacturing Units : 1. D-19-20, Panki Industrial Area,
Kanpur – 208 022
2. A-1, A-2, Udyog Kunj, Site V,
Kanpur-208022
3. Gajner Road, Raipur, Fatehpur Roshnai Dist.,
Akbarpur, Kanpur-209121

(xvii) Address for Investor Correspondence:

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

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

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

Declaration

I, Manoj Agarwal, Managing Director of Kanpur Plastipack Limited, hereby declare that, pursuant to Regulation 17 (5) of the SEBI (LODR) Regulations, 2015, all members of the Board and Senior Management personnel have affirmed their compliance with the Code of Conduct for the year ended 31st March, 2020.

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

For and on Behalf of the Board of Directors

Place: Kanpur
Date: 29th July, 2020

(Manoj Agarwal)
Managing Director

Certificate on Corporate Governance

To,
**The Members,
Kanpur Plastipack Limited**

We have examined the compliance of conditions of Corporate Governance by Kanpur Plastipack Limited ("the Company"), for the financial year ended on March 31, 2020 as per Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations").

MANAGEMENT'S RESPONSIBILITY

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

OUR RESPONSIBILITY

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

In our opinion, and to the best of our information and explanations given to us and representation made by the Directors and the Management, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI Listing Regulations, as applicable, during the financial year ended on March 31, 2020.

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

UDIN: F002253B000292587
Place: Kanpur
Date: May 30, 2020

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

Certificate of Non-Disqualification of Directors

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

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

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

Our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its Officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.N.	Name of Director	DIN	Latest Date of Appointment/ Re-appointment at current designation
1.	Mahesh Swarup Agarwal	00550799	15/09/2017
2.	Manoj Agarwal	00474146	01/09/2017
3.	Shashank Agarwal	02790029	01/09/2018
4.	Sunil Mehta	03422673	19/09/2018
5.	Usha Agarwal	00997099	15/09/2016
6.	Akshay Kumar Gupta	00004908	15/09/2016
7.	Prem Singh Khamesra	00049162	01/04/2019
8.	Ram Gopal Bagla	00135348	01/04/2020
9.	Subodh Kumar	06933864	01/04/2019
10.	Dharam Bir Parsad	08453624	12/09/2019

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

For **Adesh Tandon & Associates**
Company Secretaries

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

UDIN: F002253B000292532
Place: Kanpur
Date: May 30, 2020

Annexure- 'B' to the Directors' Report

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

A. CONSERVATION OF ENERGY:

I. Steps taken or impact on conservation of energy:

- a) In continuation of our energy conservation exercise, we have installed another Energy Efficient Utility System in place of conventional system at D-19-20 (Unit-1) to reduce the power consumption in the Utility system for tape plants and Reprocess plant. Power consumption in new Utility System has been reduced by 40% in comparison to conventional Utilities.
- b) In place of Cooling Towers, we have installed Evaporative Condenser at Unit-1. Water consumption in this Evaporative Condenser is much less as compared to conventional cooling tower.
- c) We have also installed new generation Compressor equipped with latest technology for use in our A1-A2 plant (Unit-2). This latest state of art compressor is more efficient and consume less power in comparison to earlier models of compressors. There is a saving of approx 15% energy in new compressor.

II. Steps taken by the company for utilizing alternate sources of energy:

- a) During the year, the rooftop solar grid system (capacity 506 KW) has produced 4,14,530 units of electricity. The system has also saved emission of 6,79,829 Kgs of Carbon Dioxide during the year.
- b) At Unit-3, we have installed a Carport Solar system in parking area to provide sun shed to all vehicles (bicycles, bikes and Cars) parked in the area using solar panels. Capacity of this system is 70.5 KW. This system was installed on 8th Sep. 2019 and has produced 35,627 Units of electricity during FY 2019-20. This system has also saved emission of 58,428 Kgs of Carbon Di Oxide during the year.

III. Capital investment on energy conservation equipments:

During the year total Investment Capitalized under this head on installation of energy efficient Utilities was ₹ 103.04 Lacs including Evaporative Condenser ₹ 58.60 Lacs, on new generation Compressors ₹ 9 Lacs and on Carport Solar System ₹ 35.44 Lacs.

B. TECHNOLOGY ABSORPTION:

I. Efforts made towards technology absorption:

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

- a) Use of efficient bag cleaning machines to produce 100% physical contaminations free jumbo bags,
- b) Introduced safety mechanisms on most of the machines using sensors to prevent accidents on machines,
- c) Introduced bar coding system for material traceability in all the departments.

II. Benefits derived like product improvement, cost reduction, product development or import substitution:

- a) Complaints related to physical contaminations have been totally eliminated,
- b) Number of Minor and Major accidents have been reduced,
- c) Bar coding system has resulted a more efficient material management in the company & reduction in total inventory.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:

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

IV. The expenditure incurred on research and development:

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	(₹ in Lacs)
(i) Earning on FOB value basis	23,432.87
(ii) Total Expenditure in Foreign Currency:	
(a) Expenditure on Import of Raw Materials, Plant and Machinery and Spare parts and others	1605.40
(b) Expenditure on Export promotion tour	41.23
(c) Expenditure on other than above	176.82

Annexure- 'C' to the Directors' Report

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

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

Remuneration paid to Directors and Key Managerial Personnel:

(₹ in Lacs)

Sl. No.	Name of Director / KMP	Title / Category	Remuneration in Fiscal 2020	Remuneration in Fiscal 2019	Increase / decrease in Remuneration	% increase / decrease Remuneration	Ratio of Remuneration to the Median Remuneration
1	Mahesh Swarup Agarwal	Chairman Emeritus	18	18	0	0.00%	16.51
2	Manoj Agarwal	Managing Director -KMP	69.15	106.93	-37.78	-35.33%	63.44
3	Shashank Agarwal	Deputy Managing Director	60.54	96.69	-36.15	-37.39%	55.54
4	Sunil Mehta	Executive Director	42.03	36.28	5.75	15.85%	38.56
5	Usha Agarwal	Non Executive Director	-	-	-	-	-
6	Prem Singh Khamesra	Independent Director	-	-	-	-	-
7	Akshay Kumar Gupta	Independent Director	-	-	-	-	-
8	Subodh Kumar	Independent Director	-	-	-	-	-
9	Ram Gopal Bagla	Independent Director	-	-	-	-	-
10	Dharam Bir Prasad	Independent Director	-	-	-	-	-
11	Ankur Srivastava	Company Secretary -KMP	13.57	12.14	1.43	11.78%	12.45
12	Vishal Jain	CFO-KMP	29.5	8.99*	-	-	27.06

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

Key parameters for any variable component of remuneration availed by the Directors: During the year no commission as a fixed percentage of net profit was paid to Managing Director and Deputy Managing Director in view of affected bottom line of the Company. Fixed performance incentive was 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 31.03.2020	As on 31.03.2019	Increase / Decrease	Average Increase / Decrease	Median Remuneration of Employee (MRE)		Increase / Decrease in MRE	% Increase / Decrease in MRE
					As on 31.03.2020	As on 31.03.2019		
Number of permanent Em- ployees on the rolls of the Company	1,404	1,471	-67	-	-	-	-	-
Total Remuneration	3,462	3,271	191	0.13	1.09	1.10	-0.01	-0.91%

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

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

Average decrease in the remuneration of employees is ₹0.13 Lacs and percentile average increase in remuneration is 5.84%. Whereas, there is a decrease in the turnover of the Company about 0.99% and net profit about 69.57%, respectively, the remuneration is increased due to change in policy, new recruitment and revision of salary.

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 2019-20 was 8.60% in comparison to earlier year 17.22%. In the same period there was a decrease of about 26% in the managerial remuneration. The increase in the total remuneration of employees is due to change in policy, new recruitment, revision of salary.

2. 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:

No employee of the Company was in receipt of remuneration, in aggregate, more than ₹102.00 Lacs during the year and no employees of the Company was in receipt of remuneration, in aggregate, in excess of that drawn by the Managing Director or any other Whole Time Directors of the Company. Hence, the statement under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

Annexure- 'D' to the Directors' Report

Secretarial Audit Report

For the Financial Year ended March 31, 2020

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign

Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period);**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), as amended from time to time:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client (Not applicable to the Company during the Audit Period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

We further report that, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on text check basis there are no specific laws applicable to the company.

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

- I. Secretarial Standards issued by the Institute of Company Secretaries of India (as amended from time to time);
- II. The Listing Agreement as entered into by the Company with Stock Exchange(s).

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

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place are in compliance with applicable provisions, during the review period. The members of the Company by way of Special Resolution passed in Extra Ordinary General Meeting has approved the continuation of office of directors, who have attained the prescribed age, in terms of SEBI Listing Regulations w.e.f. 01.04.2019.

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

All decision at the Board Meeting and Committee Meeting has been carried out without dissent, as recorded in the minutes of the meetings of the Board or Committee of the Board, as the case may be.

We further report that, there exist systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period:

- (i) No instances of issue of public/right/Preferential Issue of shares / sweat equity, debentures etc;
- (ii) No instances of Redemption / Buyback of securities;
- (iii) The Company has taken the decision by way of special resolution passed by the members in pursuance to section 180 of the Act;
- (iv) No instances of Merger / amalgamation / re-construction, etc; and
- (v) No Foreign technical collaborations.

For **Adesh Tandon & Associates**
Company Secretaries

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

UDIN: F002253B000292543
Date: May 30, 2020
Place: Kanpur

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

'Annexure A'

To,
The Members
Kanpur Plastipack Limited

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

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

For **Adesh Tandon & Associates**
Company Secretaries

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

Place: Kanpur
Date: May 30, 2020

Annexure- 'E' to the Directors' 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:

- 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.
- Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates.

CSR Policy:

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

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up oldage homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) Measure for the benefit of armed force veterans, war widows and their dependents;

- (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympics sports;
- (viii) Contribution to the prime minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural Development projects.
- (xi) Slum area development.

Manner of CSR Activity and its reporting

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

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

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

Annexure- 'F' to the Directors' Report

Annual Report on CSR

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

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	CSR Committee of the Company has decided to spend the amount of CSR <i>inter alia</i> on promoting health care, education, conservation of natural resources and training 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	₹ 2,326.66 Lacs
4	Prescribed CSR Expenditure (2% of the amount as in item no. 3 above)	₹ 46.53 Lacs
5	Details of CSR Spent during the financial year: (a) Total amount to be spent for the financial year (b) Amount unspent, if any:	₹ 46.90 Lacs Nil

(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Projects or Activities Identified	Sector in which the project is covered	Area of Projects or Programs 1. Local Area or other 2. Specify Location of the program	Amount outlay (budget) project or program wise (₹ in Lacs)	Amount spent on the projects or programs sub heads 1. Direct expenditure on projects or programs 2. overheads	Cumulative Expenditure upto 31-03-2020 (₹ 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	16.00	Direct expenditure on projects or programs	15.55	Direct
2.	Health Checkup Camp	Promoting health care including preventive health care	Nearby locations of factory Village: Nauriya Kheda, Sarai Meta, Dabauti, Shyampur and Gajner Road	3.00	Direct expenditure on projects or programs	3.64	Direct
3.	Promoting Education	Promoting Education	<ul style="list-style-type: none"> Fee for IIT, Kharagpur Student Comfest Jaipuria School Adoption of School at Manethu, Kanpur Dehat Pic Water facility at School at Saraichitam 	3.00	Direct expenditure on projects or programs	3.48	Direct

Sl. No.	CSR Projects or Activities Identified	Sector in which the project is covered	Area of Projects or Programs 1. Local Area or other 2. Specify Location of the program	Amount outlay (budget) project or program wise (₹ in Lacs)	Amount spent on the projects or programs sub heads 1. Direct expenditure on projects or programs 2. overheads	Cumulative Expenditure upto 31-03-2020 (₹ in Lacs)	Amount Spent: Direct or Through implementing agency
4.	Toilet Blocks, Tube-well boring to arrange safe drinking water	Promoting sanitation and safe drinking water	FICCI Ladies Association Kanpur Lucknow Chapter	1.00	Direct expenditure on projects or programs	0.50	Through FICCI Ladies Association Kanpur Lucknow Chapter
5.	Training & Skill Development Programme	Promoting education and employment enhancing vocational skill among children and other society	<ul style="list-style-type: none"> KPL Training and Skill Development Center Jyoti Bal Vikas Sanstha 	12.00	Direct expenditure on projects or programs	15.02	Through KPL Training and Skill Development center
6.	Financial Support to needy/poor people.	Measures for reducing inequalities faced by socially and economically backward groups	Nearby locations of Factory	2.00	Direct expenditure on projects or programs	2.50	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	<ul style="list-style-type: none"> Distribution of Blankets Distribution of Tea 	1.53	Direct expenditure on projects or programs	1.14	Direct
8.	Animal Welfare	Animal Welfare	Adoption of two leopard Cubs at Kanpur Zoological Park	1.50	Direct expenditure on projects or programs	1.35	Kanpur Zoological Park
9.	Protection of flora and fauna, agro forestry Park	Protection of flora and fauna, agro forestry	Adoption of Park for its maintenance	4.50	Direct expenditure on projects or programs	1.18	Direct
10.	Conservation of National Resources	Conservation of National Resources-Water	Adoption of 2 Ponds at Saraicchitam and Surar Villages for conservation of water	2.00	Direct expenditure on projects or programs	2.54	Direct
Total				46.53		46.90	
11.	Reasons for not spending 2% of the average net profit of last three financial years or any part thereof			N.A.			
12.	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: May 30, 2020
Place: Kanpur

(**Manoj Agarwal**)
Managing Director

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

Annexure- 'G' to the Directors' 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.

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

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

The remuneration or any change therein is first recommended by the 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 2019-20 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Manoj Agarwal)
Managing Director/CEO

(Vishal Jain)
CFO

Management Discussion & Analysis

1. Industry Structure and Development

Indian Plastic Industry

The plastic industry plays a vital role in the Indian economy, given its linkage to multiple sectors that utilize plastic. It employs about 4 million people and comprises more than 30,000 processing units. The Indian plastic industry produces and exports a wide range of raw materials, plastic-molded extruded goods, polyester films, molded / soft luggage items, writing instruments, plastic woven sacks and bags, polyvinyl chloride (PVC), leather cloth and sheeting, packaging, consumer goods, sanitary fittings, electrical accessories, laboratory / medical surgical ware, tarpaulins, laminates, fishnets, travel ware, and others.

Plastic exports stood at US\$ 10 billion in FY20, with the highest contribution from plastic raw materials at US\$ 2.91 billion; plastic sheets, films, and plates at US\$ 1.22 billion; and packaging materials at US\$ 722.47 million.

The unprecedented outbreak of COVID-19 impacted the global economy and human life, making it a very challenging environment for all business. The changes forced upon people by the pandemic are likely to last for some time and has established ways of doing business which is leading to changes in the way we work.

Indian plastic exporters are aggressively looking to grab China's share in the global market as developed countries have started looking for an alternative supply source. India has set a target of increasing its global market share, in terms of plastic exports, from 1% to possibly 2%. The Indian government is weighing all possible options to attract foreign investments into the country. Further, several Government initiatives such as 'Atmanirbhar Bharat' are opening up opportunities for accelerated growth in the plastic industry.

Company Overview

Your Company is one of the leading industrial bulk packaging solution providers in the world. Its state-of-art manufacturing facilities situated at Kanpur are certified to abide by global benchmarks, delivering superior quality products to customers across the globe. Its global business across Europe, Asia, North & South America, etc. accounts for more than 72% of the Company's total revenue.

The outbreak of typical "Black Swan" event, i.e. Covid-19 has affected countries globally leading to its declaration by WHO as a Global Pandemic on 11th of March, 2020. Your Company, as an exporter, had a moderate negative effect. The major supplies of your Company are in Brazil, Spain, Italy, Germany, UK and US which are the most affected Countries which has had a drastic impact on the business of your Company. However, diversification of your company's product portfolio helped in reducing the demand impact. The full closure of the Company's operations from the 22nd of March due to Country wide lock down affected the year's end performance. However, the company resumed its operations partially on the 3rd of April and is now fully operational with all measures necessary for safety and welfare of the employees have been taken. Being present in packaging for "Essential Items" helped bringing the normalcy faster.

Your Company was able to successfully manage immediate challenges of re-establishing normalcy in business operations and is in the process of assessing the long-term implications and opportunities that may emerge from this situation.

2. Segment wise Performance

Your Company's principle areas of business are :

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

Product wise performance breakup -:

Product	FY 2019-20		
	Qty (MT.)	Amount (₹ in Cr.)	% of Total Revenue
FIBC, Fabric, Liner, Small Bags	14325.59	243.66	75%
MFY	3,402.88	41.94	13%
Trading of Plastic Granules	-	24.22	8%
Others	-	12.71	4%
Total Net of Taxes	17,728.47	322.54	100.00%

FIBC and Fabrics

More than 75% the revenue of your Company comes from this division. India continues to gain traction as a major global supplier of FIBCs in the world. As FIBCs constitute an integral part of packaging solutions in the US and European countries, demand continues to increase with increasing acceptance by additional downstream sectors like pharmaceuticals and the food industry. As consumers continue to look for business opportunities outside China, your Company stands to significantly gain and increase its market share in India and abroad with increased capacity and state of art infrastructure. The company has actively worked towards geographical diversity and increased its presence in North America apart from acquiring new customers in South America.

Multifilament Yarn

High Tenacity Multi Filament Yarn (MFY) has become an independent vertical over the years and now more than 13% revenues of the Company is attributed to this segment. The applications of MFY are geo-textiles, filter cloth, safety net, elastic band, container bags, and sewing yarns. The market for this product has been growing and increasing regularly. Growth in domestic packaging and technical textiles has helped to generate demand and the company's recent capacity addition positions it to leverage its expertise to efficiently fulfill this demand as we move forward.

Trading of Plastic Granules

Your Company has been operating as Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their Polymer division. The performance of this segment is gradually improving and helpful to add value to the Company, in terms of profitability. IOCL commissioned its new plant at Paradeep this year improving the availability of material and offerings of improved grades for the local market which will help in increasing sales in this division.

Solar Energy

As part of its commitment towards the environment your Company was the first in the region to install roof top solar power generating system in the year 2014. A total 576.50 KW solar power generating systems have been installed within the Company which produced, during the year, around 4.5 Lacs units of electricity. The system has also saved emission of 7.50 Lacs Kgs. of Carbon-Dioxide during the year. Significant investments are planned in years to bring down dependency on fuel based power.

3. Financial and Operational Performance

FY 2019-20 witnessed not only Covid Crises but also volatility in the global market, increased competition from

within the country and an affected global environment. Despite all these challenges, the operational performance of your Company has improved. Your Company was able to perform stronger even in these challenging times. Following are the key improvements achieved during the year:

- Production increased by 15% on YoY
- Total Sales increased by 18% on YoY
- Export Sales increased by 18% on YoY
- Domestic Sales increased by 16% on YoY

Financial Highlights

A detailed note on the financial part has been recorded in the Directors Report the highlights of the financial performance are given herein below:

Particulars	₹(in Lacs)	
	2019-20	2018-19
Net Worth	12856	12674
Revenue	32253	33411
Profit before Tax	631	2166
Net Profit	493	1620
EBIDTA	2572	3784
Gross Block	21289	20669
Ratios		
Debtors Turnover Ratio	7.36	6.10
Inventory Turnover Ratio	6.31	6.90
Interest Coverage Ratio	2.17	5.88
Current Ratio	1.47	1.33
Debt Equity Ratio	0.51	0.52
Operating Margin Ratio	2.01	6.81
Net Profit Margin Ratio	1.57	5.14
EBDITA %	7.97%	11.33%
EPS	3.45	11.65

4. Outlook:

The demand for Indian plastic packaging exports has recorded an upsurge in orders from the United States and European countries in the wake of the Covid-19 pandemic. Going forward, the packaging industry in India is anticipated to expand further in the long-term. The world is looking towards suppliers with reliability and the ability to transform proactively in a crises like this and your Company has shown the path which allows it to be better positioned and leverage this opportunity. Its expanded capacity and state of art infrastructure facilities will be useful in achieving this goal. Although, a level of uncertainty cannot be ruled out as the world begins to grapple with the "new normal" there are positives to pick up from the crises. We look forward to a better year ahead as the company is on track to regain its profitability in the current financial

year. We do, however, have to bear in mind that the global economy is set to shrink by 5 % this fiscal and business is nowhere near normal within our country. However as manufacturers of Industrial packaging products we are well placed to tackle this scenario.

5. 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.

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 economic risk, technology risk, fluctuations in foreign exchange rates & raw material prices and competition risk which the Company regularly monitors with a proactive approach has been adopted by the management to evaluate and mitigate the potential risks. An additional risk arising out of the COVID 19 pandemic cannot be ruled out which may lead to a possible future lockdown or temporary closure.

Our response to Covid-19

The outbreak of novel Corona Virus (Covid-19) has impacted the business operations of the company by way of interruption in production activities, supply chain

and availability of manpower. The nation wide lockdown has affected the year end performance. However, your Company took an active approach and resumed its operations partially on the 3rd April, 2020 after getting requisite permissions from the district administration and since then the production and sales have been stabilizing.

An extensive protocol has put in place for the health and safety of all the workers and Staff members. The Company has put in place a strict monitoring process for Covid-19 precautions ensuring the following:

- Sanitizing the premises and vehicles on regular basis;
- Maintenance of social distancing at all work places;
- Enforcing wearing of masks and regular cleaning of hands with soap, water and sanitizers;
- Regular update of the health of all the employees and their families;
- An extensive graphical SOP has been made and implemented;
- All employees have been asked to install Aarogya Setu App;

The Company has issued various awareness notes and also made a team to train other employees throughout the Company. The management continues to monitor the situation closely and follow all directives of the administration to ensure the safety and welfare of our employees which remains primary concern of your Company.

6. SWOT Analysis

<p>Strength </p> <ul style="list-style-type: none"> o Nearly 5 decades of experience. o Diversified customer base across geographies and industries. o Reputed global manufacturer of world-class flexible intermediate bulk containers and a pioneer exporter. o Experienced management team. o Enhanced capacity with superior structuring of manufacturing capabilities to meet the additional demand in the packing industry. o Leverage of strong customer relationship. 	<p>Opportunities </p> <ul style="list-style-type: none"> o Company is now all set to utilize its improved infrastructure and increased capacities for better results in the coming years. o Diversify our revenue stream by exploring new geographies and add product categories to existing customer base. o New World Class Factory, now fully operational, is all set to contribute to the performance of the Company.
<p>Weakness </p> <ul style="list-style-type: none"> o Increased competition due to industry wide capacity addition o Downward Economic growth and Global downturns have affected the performance and may put pressure on margins. 	<p>Threats </p> <ul style="list-style-type: none"> o Global Trade war can pose a challenge to international trade impacting the Company's performance. o Competition from new players within the Country. o Volatility in crude oil prices which can affect raw material prices.

7. Internal Control System

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

8. Human Resource Development

KPL believes and considers Human Resources as a vital asset for the growth of the Company. The response of the employees of the Company during covid crisis was extraordinary and the management place on record their appreciation to the Company's employees for their selfless efforts which helped your Company to reach normalcy in operations within a few weeks of the lock-down.

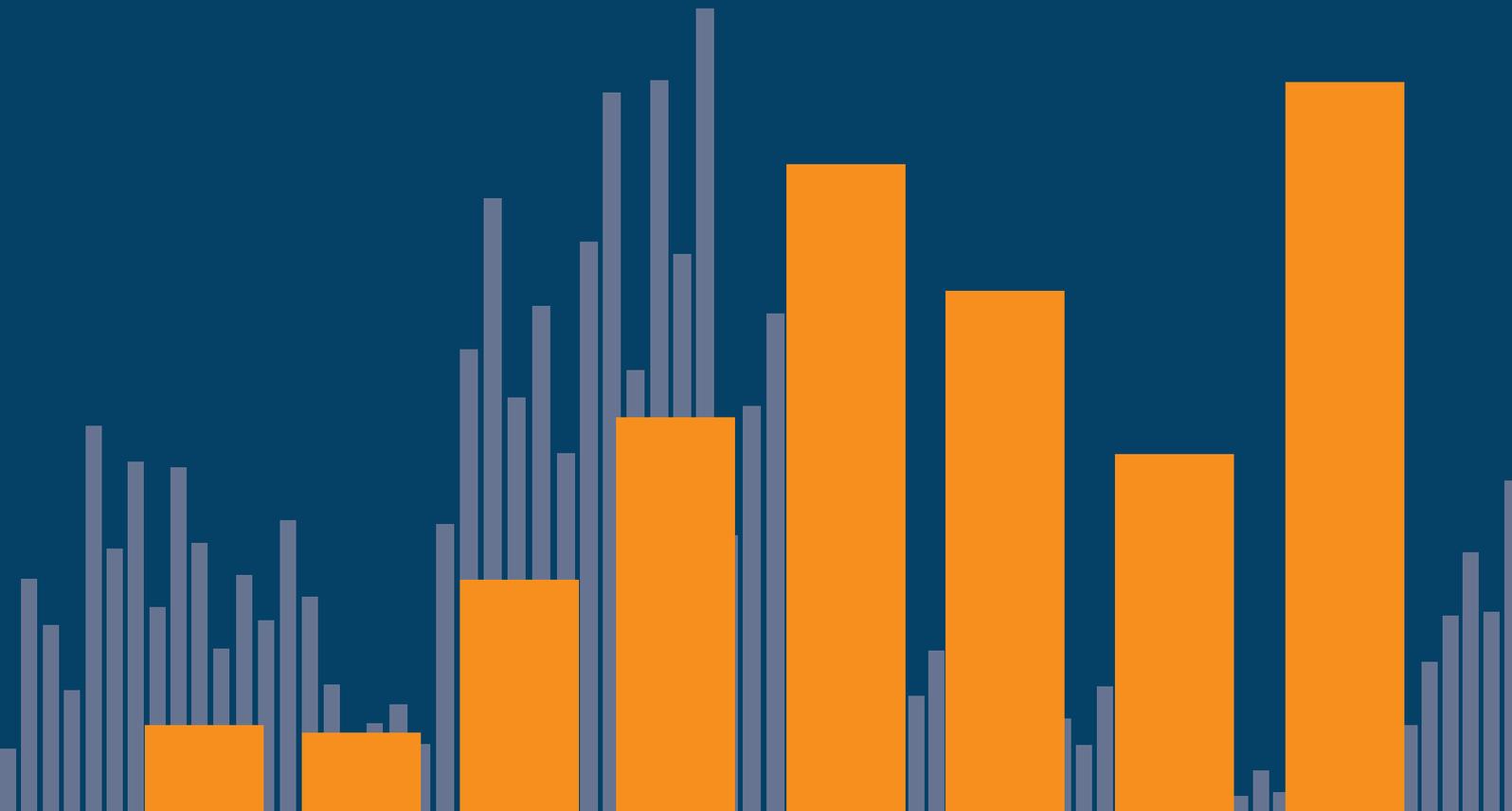
The Company emphasizes its People Development Processes and strives to upgrade skill sets to motivate the workforce to contribute towards organization goals. Towards this goal a team of 22 members of the staff, in

Phase -I, were selected for an extensive Training programme on Operations Management & Employee Engagement in collaboration with The Gaur Hari Singhania Institute of Management. The Company focuses on adequate training to empower and encourage employees. A transparent and active line of communication also exists within the organization to enable team work and promote a culture of trust and confidence. As on March 31, 2020, KPL has a team of 1404 employees.

9. Cautionary Statement

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

Financial Statements



Independent Auditors' Report

To
The Members of
Kanpur Plastipack Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Kanpur Plastipack Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2020, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

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

KEY AUDIT MATTERS

Key Audit Matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters.

1. Impact of the COVID-19 Pandemic on the Company's ability to continue as a going concern:

The company is primarily engaged in exports and its receivables comprise of debts due from various overseas parties, including those based in the UK, Europe, Brazil etc. Thus vis-à-vis the company, the impact of COVID-19 pandemic on recoverability of its receivables, realisability of stocks and future business prospects, on its ability to continue as a going concern required extensive verification procedures, analysis of the post Balance Sheet events, management discussions and judgements.

How our audit addressed the key audit matter

For the matter referred to above, our procedures included, among others, verification and recovery pattern of all material export receivables upto the date of completion of our audit, other relevant documentation/correspondence, including correspondence with Banks, customers, on-going/pending export orders and shipments to the various parties, assessing management's conclusions etc. in view of the laid down accounting and measurement principles.

2. Verification of inventories as at the close of the year:

In view of the fact that a nationwide lockdown was in force as at the reporting date, the inventories as at the said date could not be verified physically. Further, significant inventories remained in transit owing to the sudden lockdown and curbs on movement of materials. Further there has been a significant fall in the raw material prices. Thus recognition and valuation of inventories as at the reporting date required extensive verification procedures, analysis of the post Balance Sheet events, management discussions and judgements.

How our audit addressed the key audit matter

For the matter referred to above, our procedures included, among others, verification of material items of inventories after the close of the year and reconciliation of the same to the closing inventories as at the reporting date; analysis of impact of fall in the raw material prices on the value of the inventories of raw material, goods in process and finished goods; analysis of impact on the pricing of the ongoing sales orders; verification of documents and records submitted to

various authorities, including banks and revenue authorities; checking of documents evidencing movement of material (both raw material as well as finished goods), and their subsequent receipt, so as to ascertain the position of the material in transit, discussions with management etc.

OTHER INFORMATION

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

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the

Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

- i. The Company has disclosed the impact of pending litigations as at 31st March, 2020 on its financial position in its standalone financial statements.
- ii. The Company does not have any long term contracts requiring a provision for material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31st March, 2020.

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

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

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

RAJIV MEHROTRA
(PARTNER)

Kanpur, 30th May, 2020

M.No.071428

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. However physical verification of inventory could not be undertaken as at the close of the year owing to the Nationwide lockdown declared by the Government of India in view of the COVID-19 Pandemic. 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, 2020 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 Lacs	Period to which amount relates	Forum where dispute is pending	Remarks
Central Sales Tax Act, 1956	Central Sales Tax	0.53	FY 2009-10	Allahabad High Court	The total demand raised was ₹ 3.52 Lacs. An amount of ₹ 2.99 Lacs 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 Lacs. An amount of ₹ 2.45 Lacs 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	Return processed u/s 143(1) of the Act	166.79	AY 2018-19	Central Processing Centre	The company has moved an application u/s 154 of the Act against the said demand.
Income Tax	Demand raised u/s 115-O of the Act	60.41	AY 2019-20	Central Processing Centre	The company has moved an application u/s 154 of the Act against the said demand.

(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 did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

(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. It may be mentioned that though the remuneration to the Directors is in excess of the thresh-hold of 5-11% (as the case may be), the same is within the limits prescribed under Schedule V of the Act.

(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.

(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, 30th May, 2020

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 with reference to financial statements of Kanpur Plastipack Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, to the best of our information, and according to the explanations given to us, the company has, in all material aspects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note of Audit of International Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating

effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

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

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

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

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

RAJIV MEHROTRA
 (PARTNER)

Kanpur, 30th May, 2020

M.No.071428

Balance Sheet

as at 31st March 2020

PARTICULARS	NOTE NO.	₹ in Lacs	
		AS AT 31 st March, 2020	AS AT 31 st March, 2019
ASSETS			
Non-Current Assets :			
Property, Plant and Equipment	4	16,384.84	16,385.08
Capital Work-in-Progress	4	48.38	190.55
Other Intangible Assets	4	-	-
		16433.22	16575.63
Other Financial Assets	5	343.71	367.33
Other Non-Current Assets	6	51.00	112.48
		394.71	479.81
Current Assets :			
Inventories	7	4799.92	5176.00
Financial Assets :			
Investments	8	23.74	621.29
Trade Receivables	9	3912.95	4643.58
Cash and Cash Equivalents	10	2.44	22.18
Other Bank balances	11	121.42	124.88
Other Current Assets	12	790.95	1147.14
		9651.42	11735.07
TOTAL ASSETS		26479.35	28790.51
EQUITY & LIABILITIES :			
Equity :			
Equity Share capital	13	1431.96	1431.96
Other Equity	14	11424.84	11242.07
		12856.80	12674.03
LIABILITIES :			
Non-current liabilities			
Financial Liabilities :			
(i) Long Term Borrowings	15	5538.44	5831.39
(ii) Other Financial Liabilities	15	-	-
Long Term Provisions	16	580.92	538.74
Deferred Tax Liabilities	17	919.90	899.30
		7039.26	7269.43
Current Liabilities :			
Financial Liabilities :			
Borrowings	18	4135.39	6270.21
Trade Payables			
- Total Outstanding dues of Creditors other than micro and small enterprises	19	512.27	562.43
- Total Outstanding dues of micro and small enterprises	19	54.59	171.09
Provisions	20	330.15	325.21
Other Current Liabilities	21	1550.89	1518.11
		6583.29	8847.05
TOTAL EQUITY & LIABILITY		26479.35	28790.51
Significant Accounting Policies and Notes to Accounts	1-3		

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner
Membership No.: 071428

Place: Kanpur
Date: 30.05.2020

VISHAL JAIN
Chief Financial Officer

ANKUR SRIVASTAVA
Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWAL
Managing Director

SHASHANK AGARWAL
Deputy Managing Director

Statement of Profit and Loss

for the year ended on 31st March 2020

₹ in Lacs

PARTICULARS	NOTE	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2019
Revenue from operations	22	31,471.80	31,786.00
Other income	23	781.78	1,625.20
Total Income		32,253.58	33,411.20
Expenses			
Cost of materials consumed	24	16,563.47	16,423.69
Purchase of stock-in-trade	25	2,214.95	4,296.71
Changes in inventories of Finished Goods, Stock in Trade and Work in Progress	26	209.21	(1,102.21)
Employee benefit expense	27	3,462.43	3,270.77
Depreciation, Amortisation and Impairment expense	4	888.14	668.62
Other Expenses	28	7,230.94	6,738.30
Finance Costs	29	1,053.02	949.22
Total Expenses		31,622.16	31,245.10
Profit/(Loss) before Exceptional Items and Tax		631.42	2,166.10
Exceptional items		-	-
Profit/(Loss) before Tax		631.42	2,166.10
Income Tax Expense			
Current tax		105.52	466.78
Earlier Year Tax Adjustments		12.26	48.41
Deferred tax		20.60	30.79
Profit/(Loss) for the period from Continuing Operations		493.04	1,620.12
PROFIT/(LOSS) FOR THE YEAR		493.04	1,620.12
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)		(0.31)	(13.65)
Income Tax relating to these Items		0.00	0.00
Other Comprehensive Income for the Year (Net of Tax)		(0.31)	(13.65)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		493.35	(1,633.77)
Earnings per Share			
Basic EPS		3.45	11.65
Diluted EPS		3.45	11.40

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants

Firm Regd. No.: 002253C

RAJIV MEHROTRA

Partner

Membership No.: 071428

Place: Kanpur

Date: 30.05.2020

VISHAL JAIN

Chief Financial Officer

ANKUR SRIVASTAVA

Company Secretary

For and on behalf of the Board of Directors

MANOJ AGARWAL

Managing Director

SHASHANK AGARWAL

Deputy Managing Director

Cash Flow Statement

 for the year ended 31st March, 2020

PARTICULARS	₹ in Lacs	
	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
I) CASH FROM OPERATIONS		
A. PROFIT BEFORE TAX	631.42	2,166.10
B. ADJUSTEMENTS:		
Depreciation	888.14	668.62
Provision for Gratuity under OCI	0.31	13.65
Loss/(Profit) on disposal of PPE, intangible assets & non-current assets held for sale	13.29	5.81
Interest Income	(68.60)	(132.79)
Finance Costs	982.12	958.40
Unrealised foreign exchange (gain)/loss (net)	230.94	(8.87)
Loss/(Profit) on sale of mutual funds	(6.50)	-
Gain on Revaluation of Investments	(1.92)	(30.83)
Other adjustments	-	-
Operating Profit Before working capital changes	2,669.20	3,640.09
Adjustments for Changes in working Capital		
Decrease/(Increase) in Inventories	376.08	(1,140.76)
Decrease/(Increase) in Trade Receivable	801.63	1,151.26
Decrease/(Increase) in other Current Assets	356.19	(334.67)
Decrease/(Increase) in other Non Current Assets	61.48	55.32
Decrease/(Increase) in other Financial Assets	23.62	(48.47)
Increase/(Decrease) in Trade Payables	(166.34)	(161.47)
Decrease/(Increase) in other Other Bank Balances	3.46	(32.85)
Increase/(Decrease) in Current Liabilities	32.78	(4.46)
Increase/(Decrease) in Non Current Liabilities	-	-
Increase/(Decrease) in Provisions	4.94	(66.59)
Increase/(Decrease) in Long term Provisions	42.18	31.85
Cash Generated from/(used) in Operations	4,205.22	3,089.25
Less: Income Tax Paid (including TDS)	117.78	515.19
NET CASH FROM OPERATIONS	4,087.43	2,574.06
II) CASH FROM INVESTING ACTIVITIES		
Purchase of PPE & Intangible assets (incl. Capital WIP)	(911.51)	(5,909.50)
Other Investments	-	-
Investments in Mutual Funds (Net)	605.97	(235.00)
Sale of PPE & Intangible assets	152.49	26.64
Interest Received	68.60	132.79
NET CASH FROM/USED IN INVESTMENT ACTIVITIES	(84.45)	(5,985.07)

Cash Flow Statement

for the year ended 31st March, 2020

₹ in Lacs

PARTICULARS	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
III) CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	890.14
Net Increase/(Decrease) in long term borrowings	(595.20)	3,047.69
Repayment of long term borrowings	-	-
Net Increase/(Decrease) in short term borrowings	(2,134.82)	749.97
Payment of dividend including dividend distribution tax	(310.58)	(310.68)
Finance Costs	(982.12)	(958.40)
NET CASH FROM FINANCING ACTIVITIES	(4,022.72)	3,418.72
Net Increase in cash and cash equivalents	(19.74)	7.71
Cash and Cash equivalents as at the beginning of the year	22.18	14.47
Cash and Cash equivalents as at the end of the Period	2.44	22.18

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 and on behalf of the Board of Directors

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

VISHAL JAIN
Chief Financial Officer

MANOJ AGARWAL
Managing Director

RAJIV MEHROTRA

Partner
Membership No.: 071428

ANKUR SRIVASTAVA
Company Secretary

SHASHANK AGARWAL
Deputy Managing Director

Place: Kanpur

Date: 30.05.2020

Statement of Changes in Equity

 for the period ended 31st March 2020

A. EQUITY SHARE CAPITAL

	₹ in Lacs	
	Nos.	Amount
Balance at the beginning of the reporting period		
As at 31st March, 2018	1,43,26,645	1,313.27
Add: Final call amount called up on shares	-	117.98
Add: Share forfeited	(14,081)	0.71
As at 31st March, 2019	1,43,12,564	1,431.96
Add: Final call amount called up on shares	-	-
As at 31st March, 2020	1,43,12,564	1,431.96

B. OTHER EQUITY

Particulars	Reserves and Surplus				₹ in Lacs
	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	TOTAL
	As at 31st March, 2018	200.00	735.63	124.33	8,087.57
Profit for the Year	-	-	-	1620.12	1,620.12
Other Comprehensive Income For the Year	-	-	-	13.65	13.65
Total Comprehensive Income For the Year	-	-	-	1633.77	1,633.77
Dividends					-
Interim dividend	-	-	-	-	-
Final Dividend	-	-	-	(257.71)	(257.71)
Corporate Dividend Tax	-	-	-	(52.97)	(52.97)
Transfer from retained earnings to general reserve	-	-	-	-	-
Addition on issue of Equity	-	-	-	-	-
Transfer from General Reserve to Capital Redemption Reserve	-	-	-	-	-
Premium Received During the Year	-	771.45	-	-	771.45
Expense Incurred on Right Issue	-	-	-	-	-
As at 31st March, 2019	200.00	1,507.08	124.33	9,410.66	11,242.07
Profit for the Year	-	-	-	493.04	493.04
Other Comprehensive Income For the Year	-	-	-	0.31	0.31
Total Comprehensive Income For the Year	-	-	-	493.35	493.35
Dividends					-
Interim dividend	-	-	-	-	-
Final Dividend	-	-	-	(257.63)	(257.63)
Corporate Dividend Tax	-	-	-	(52.95)	(52.95)
Transfer from retained earnings to general reserve	-	-	-	-	-
Addition on issue of Equity	-	-	-	-	-
Transfer from General Reserve to Capital Redemption Reserve	-	-	-	-	-
Premium Received During the Year	-	-	-	-	-
Expense Incurred on Right Issue	-	-	-	-	-
As at 31st March, 2020	200.00	1,507.08	124.33	9,593.42	11,424.83

Statement of Changes in Equity

for the period ended 31st March 2020

NATURE AND PURPOSE OF RESERVES

Capital Redemption Reserve- As per Companies Act, 2013, Capital Redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

Securities Premium Account- The same is created when Shares/securities are issued by the company at a value which is higher than the face value/nominal value of such shares/securities. The amount representing such excess i.e the premium is transferred to the Securities Premium Account in accordance with the provisions of Section 52 of the Companies Act, 2013. The balance in this reserve is utilised in accordance with the provisions of the said Section 52 of the Act.

For and on behalf of the Board of Directors

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

VISHAL JAIN
Chief Financial Officer

MANOJ AGARWAL
Managing Director

RAJIV MEHROTRA
Partner
Membership No.: 071428

ANKUR SRIVASTAVA
Company Secretary

SHASHANK AGARWAL
Deputy Managing Director

Place: Kanpur
Date: 30.05.2020

Notes Forming Integral Part of the Balance Sheet

NOTE NO.1 COMPANY OVERVIEW

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

The Company is a Two Star Export House, engaged in manufacturing of HDPE/PP Woven Sacks, PP Box Bags, Flexible Intermediate Bulk Containers (FIBC's), Fabrics and High Tenacity PP Multi Filament Yarn (MFY). The company is also a Consignment Stockiest of M/s Indian Oil Corporation Limited and owns and operates solar power generation facility at A-1/A-2, Panki Industrial Area, Kanpur. The company completed the commissioning of a new industrial Unit for manufacturing of Flexible Intermediate Bulk Containers (FIBC's) at Gajner Road, Kanpur Dehat during the preceding year, which resulted in expansion of its manufacturing capacity and also reduced its dependency on leased facilities. This year is the first full year of operation of the said manufacturing facility.

These Financial Statements were authorized by the Board of Directors for issue in accordance with the Resolution passed on 30th May, 2020.

NOTE NO.2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance: These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

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

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

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined benefit plans-plan assets/liabilities measured at fair value

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

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

2.3 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.

2.4 Use of Estimates, Assumptions and Judgements: The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and

Notes Forming Integral Part of the Balance Sheet

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

In respect of the properties taken on lease, 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.

iii. 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.

iv. Taxes, including Evaluation of recoverability of Deferred tax assets and liabilities:

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.

v. 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.

vi. 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.

vii. Warranty provision/Quality Claim

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

Notes Forming Integral Part of the Balance Sheet

2.5 Property, Plant and Equipment

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

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

Sl.No.	Description	Useful life (in years)
1.	Office Buildings	60 years
2.	Factory Buildings	30 years
3.	Plant and equipment qualifying as Continuous Process Plant	25 years
4.	Other Plant and Equipment for three shift working (Useful life is estimated for a three shift working)	25 years
5.	Other Equipment	7.5 years
6.	Furniture and fittings	10 years
7.	Office equipment	05 years
8.	Vehicles	08 years

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

2.6 Inventories:

- i. **Basis of Valuation:** Inventories are stated at lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.
- ii. **Method of Valuation-** Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.
- iii. The inventories of finished goods, which were in transit or lying at port as at the reporting period have been valued at lower of cost and market value. The cost has been worked out as per the Retail Method.

The inventories have been physically taken by the management periodically during the year. However the year end inventories could not be physically verified during the year owing to complete lockdown imposed by the Government of India in view of the COVID-19, Pandemic.

Notes Forming Integral Part of the Balance Sheet

2.7 Revenue Recognition:

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

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

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

a) Sale of goods:

- I. Inland sales have been accounted for at the time of dispatch of goods from the factory.
- II. Export Sales have been recognized only after the company loses control over the material i.e. once the goods have been shipped on board.
- III. Sales have been recorded net of rebates and trade discounts but are grossed up for Goods and Services Tax collected thereon.

b) 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.

c) 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".

d) 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.

2.8 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.

2.9 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.

Notes Forming Integral Part of the Balance Sheet

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

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

Notes Forming Integral Part of the Balance Sheet

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

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

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

2.15 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, if any, are treated as potential equity shares in accordance with Ind-AS 33, for the period for which the same remained partly paid up.

2.16 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.

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

2.18 Leases- A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

In respect of the Operating Lease which are of a long term nature or of a significant value, the Company recognises right-of-use the asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the company's depreciation policy for Property, Plant and Equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. None of the lease arrangements of the company qualified

Notes Forming Integral Part of the Balance Sheet

for the above said treatment owing to the fact that the same were of a short term nature and/or of a value which was not considered material.

2.19 Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The quantitative disclosures of fair value measurement hierarchy are contained in Note No.37.

NOTE NO.3 TRANSITION TO IND-AS-116 - LEASES

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1st April, 2019). However there is no impact from this pronouncement in the Company's case since the lease arrangements of the company are short-term leases and/or leases for which the underlying asset is of low value.

Accordingly, there was no cumulative effect from initial application of this standard warranting any adjustment to the opening balance of retained earnings as on 1st April, 2019.

Notes Forming Integral Part of the Balance Sheet

Note -4 PROPERTY, PLANT AND EQUIPMENT

Particulars	₹ in Lacs									
	Lease Hold Land	Freehold Land	Buildings	Vehicles	Furniture & Fittings	Office Equipment	Plant & Machinery	Grand Total	Intangible Assets	Capital Work In Progress
AT COST										
Cost as at 1 st April, 2018	468.56	664.11	1,811.03	242.66	145.88	271.27	7,593.59	11,197.10	73.88	3,542.33
Additions	-	34.72	4,254.54	275.89	74.67	134.70	4,486.76	9,261.28	-	5,521.14
Disposals/Transfer	-	-	-	(37.96)	-	-	(16.32)	(54.28)	-	(8,872.92)
Cost as at 1 st April, 2019	468.56	698.83	6,065.57	480.59	220.55	405.97	12,064.03	20,404.10	73.88	190.55
Additions	-	-	224.66	37.50	25.57	18.13	747.81	1,053.68	-	82.48
Disposals/Transfer	83.72	-	0.12	53.14	-	-	154.36	291.35	-	224.65
As at 31 st March, 2020	384.84	698.83	6,290.11	464.95	246.12	424.10	12,657.48	21,166.43	73.88	48.38
Depreciation as at 1 st April, 2019	59.21	-	616.00	88.81	70.97	251.64	2,932.39	4,019.02	73.88	-
Charge for the Year	4.88	-	193.76	51.14	20.67	58.18	559.51	888.14	-	-
Transfers	-	-	-	23.65	-	-	101.92	125.57	-	-
As at 31 st March, 2020	64.09	-	809.76	116.30	91.64	309.82	3,389.98	4,781.59	73.88	-
As at 31 st March, 2019	409.35	698.83	5,449.57	391.78	149.58	154.33	9,131.64	16,385.08	-	190.55
As at 31 st March, 2020	320.75	698.83	5,480.35	348.64	154.48	114.28	9,267.50	16,384.84	-	48.38

(a) Property, plant and equipment (including capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. During the year ended 31st March, 2020, the Company has recognised an impairment charge of ₹ 8.69 Lacs (2018-19: ₹ NIL) in respect of certain items of property, plant and equipment. The impairment recognised is included within other expenses in the Statement of Profit and Loss.

(b) Details of property, plant and equipment pledged against borrowings is presented in note 15 & 18

Notes Forming Integral Part of the Balance Sheet

NOTE - 5 OTHER FINANCIAL ASSETS

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
(a) Secured, Considered Good :	-	-
(b) Unsecured, Considered Good		
(i) Other Deposits		
- Stamp Duty paid Under Protest	29.07	29.06
- Interest accrued on Security deposit.	7.10	17.22
- Fixed Deposits with banks having maturity period of more than 12 months	54.76	66.61
- Security Deposits to Govt. & Others	252.78	254.44
	343.71	367.33
(c) Doubtful	-	-
	343.71	367.33

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

NOTE - 6 OTHER NON-CURRENT ASSETS

(Unsecured, Considered Good)

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
Income Tax Refund receivable/Demand deposited under protest	-	107.03
Recoverable from UPSIDC	45.55	-
VAT Recoverable (CST under protest)	5.45	5.45
	51.00	112.48

CURRENT ASSETS :

NOTE - 7 INVENTORIES

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
1 Raw Material	1,190.89	1,490.87
2 Raw Material (in Transit)	201.25	88.20
3 Goods -in-Process	1,892.92	2,497.21
4 Finished Goods (including goods lying at port)	1,137.88	742.80
5 Stores & Spares/ Others	376.98	356.92
	4,799.92	5,176.00

NOTE - 8 INVESTMENTS

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
Investment in Mutual Funds (Cost as at 31/03/2020 ₹ 20.00 Lacs (PY ₹ 555.00 Lacs)	23.74	621.29
	23.74	621.29

Notes Forming Integral Part of the Balance Sheet

NOTE - 9 TRADE RECEIVABLES

₹ in Lacs

PARTICULARS	As at	As at
	31 st March, 2020	31 st March, 2019
- Secured trade receivables- considered Good	-	-
- Un-Secured trade receivables- considered good	3,569.01	4,351.21
- Trade Receivables which have significant increase in credit risk	343.94	292.37
- Trade Receivables - Credit impaired	-	-
	3,912.95	4,643.58

NOTE - 10 CASH AND CASH EQUIVALENTS

₹ in Lacs

PARTICULARS	As at	As at
	31 st March, 2020	31 st March, 2019
Cash in Hand	2.14	4.24
Balances with Banks:		
Current Accounts	0.30	17.94
	2.44	22.18

NOTE - 11 OTHER BANK BALANCES

₹ in Lacs

PARTICULARS	As at	As at
	31 st March, 2020	31 st March, 2019
Earmarked balances with banks		
Unclaimed dividend with bank	54.96	54.79
FDRs held as Margin Money with Banks	66.46	70.09
	121.42	124.88

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

NOTE - 12 Other Current Assets :

SHORT-TERM LOANS AND ADVANCES(UNSECURED)

(Unsecured and Considered Good)

₹ in Lacs

PARTICULARS	As at	As at
	31 st March, 2020	31 st March, 2019
(a) Income Tax Refund Receivable	167.18	12.85
(b) Others loans & advances considered good		
1 Advance to Staff	26.72	21.41
2 Pre-paid Expenses	113.85	62.04
3 Advances to Suppliers & Others	130.08	253.08
4 Interest Recoverable under TUF Scheme / others	9.11	6.31
5 Excise Duty/Service Tax Refund	-	55.32
6 GST Recoverable		
(i) GST Refundable	8.91	290.95
(ii) ITC Receivable	335.10	445.18
	790.95	1,147.14

No amounts are due from any of the Directors or other officer of the Company.

Notes Forming Integral Part of the Balance Sheet

EQUITY & LIABILITIES:

NOTE - 13 EQUITY SHARE CAPITAL

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
1 Authorised Capital		
200 Lacs (PY- 200 Lacs) Equity Shares of ₹ 10/- each	2,000.00	2,000.00
20 Lacs (PY- 20 Lacs) Preference Shares of ₹ 10/- each	200.00	200.00
	2,200.00	2,200.00
A. Issued, Subscribed and Paid-up Capital		
14312564 Equity Shares of ₹ 10/- each each fully called and paid up		
(i) 14312564 (Previous years 14312564) Equity Shares of ₹ 10/- each each fully paid up	1,431.25	1,431.25
(ii) Share Forfeiture Account	0.71	0.71
(14081 Shares called up ₹ 10/- each and paid up ₹ 5/- each)		
	1,431.96	1,431.96

B Terms and Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees only in proportion to the paid up value of the equity shares.

The dividend if any 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	Number of Shares	Amount ₹ In Lacs
Outstanding as at 1 st April, 2018 (of which 2373693 equity shares were partly paid up)	1,43,26,645	1,313.27
Paid up value called in respect of 2387774 Equity Shares Issued during Financial Year ended 31 st March, 2018, of which call money received on 2373693 equity shares.	-	118.69
14081 Equity Shares forfeited during the Financial Ended 31 st March, 2019	(14,081)	(0.71)
Outstanding as at 31 st March, 2019	1,43,12,564	1,431.25
Equity Shares Issued during Financial Year ended 31 st March, 2020 for Cash consideration	-	-
Outstanding as at 31 st March, 2020	1,43,12,564	1,431.25

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

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Number of shares held	% of holding	Number of shares held	% of holding
Mahesh Swarup Agarwal	25,42,401	17.76%	25,42,401	17.76%
Usha Agarwal	20,09,866	14.04%	20,08,866	14.04%
Manoj Agarwal	13,52,523	9.45%	13,51,523	9.44%
Shashank Agarwal	10,90,564	7.62%	10,90,564	7.62%
MSA Investments & Trading	9,48,126	6.62%	9,37,876	6.55%
KSM Exports Limited	7,53,434	5.26%	7,53,434	5.26%

Notes Forming Integral Part of the Balance Sheet

NOTE - 14 OTHER EQUITY

₹ in Lacs

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
A. SECURITIES PREMIUM ACCOUNT		
Balance at the beginning of the year	1,507.08	735.63
Add: Premium Received during the year	-	771.45
Less: Deduction/Transfer	-	-
Balance as at the end of the year	1,507.08	1,507.08
B. CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	200.00	200.00
Add: Transfer from Retained Earnings	-	-
Balance as at the end of the year	200.00	200.00
C. GENERAL RESERVE		
Balance at the beginning of the year	124.33	124.33
Add: Transfer from Retained Earnings	-	-
Less: Transferred to Capital Redemption Reserve	-	-
Balance as at the end of the year	124.33	124.33
D. RETAINED EARNINGS		
Balance at the beginning of the year	9,410.66	8,087.57
Add: Net Profit for the Year	493.35	1,633.77
	9,904.01	9,721.34
Less:		
(i) Transferred To General Reserves	-	-
(ii) Final Dividend on Equity Shares paid during the Year (Amount per share ₹ 1.80/- , Previous Year ₹ 1.80 /- per Equity Share)	257.63	257.71
(iii) Tax on Dividend on Equity Shares	52.95	52.97
	310.58	310.68
Balance as at the end of the period	9,593.43	9,410.66
	11,424.84	11,242.07

NOTE - 15 Long Term Borrowings :

₹ in Lacs

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
Long Term Borrowings :		
Term Loans from banks (Secured)	5,468.05	5,698.99
Vehicle Finance under Hire purchase	70.39	132.40
	5,538.44	5,831.39

15.1 Term Loans from State Bank Of India in INR , Balance Outstanding is (₹ 686.03 Lacs, (PY ₹ 4138.68 Lacs).

Foreign Currency Term Loan (USD) from State Bank of India, Balance ₹ 2863.86 Lacs (PY NIL)

15.2 Term Loans from HDFC Bank Ltd. INR , Balance Outstanding is ₹ 681.65 Lacs, (PY ₹ 2200.30 Lacs) Foreign Currency Term Loan (USD) from HDFC Bank Ltd., Balance ₹ 1923.24 Lacs (PY 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 the land and building of the Company situated at Fatehpur Roshnai, Dist Akbarpur, Gajner Road; at D-19 and D-20, Site I Panki Industrial Area, Kanpur and at A1-A2, Site 5 (Udyog Kunj), Panki Industrial Area, Kanpur

Notes Forming Integral Part of the Balance Sheet

NOTE - 15 Long Term Borrowings : (Contd..)

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 Vehicles of the company and are repayable over a period of 5 Years.

The installments due in the succeeding twelve months in respect of the above loans have been classified under Current Liabilities in Note No.21, as 'Current Maturities of Debts'.

NOTE - 16 Long Term Provisions

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
Provisions for Employee Benefit Obligations	580.92	538.74
	580.92	538.74

NOTE - 17 Deffered Tax Liability (Net)

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
1 Deferred Tax Liabilities		
Depreciation and amortisation	1,582.45	1,397.04
2 Deferred Tax Assets		
Employee benefits	(283.37)	(241.84)
MAT Credit Entitlement	(379.18)	(255.90)
	919.90	899.30

Reconciliation of tax expense and accounting profit multiplies by the domestic tax rate for 31st March, 2020 and 31st March, 2019

PARTICULARS	₹ in Lacs	
	For the Year Ended	
	31 st March, 2020	31 st March, 2019
Accounting profit before Income Tax	631.73	2,179.75
Applicable Tax Rate	16.69%	21.55%
Computed Tax Expense	105.45	469.71
Adjustment in respect of current income tax of previous years	12.26	48.41
Income Exempted from tax	-	-
Utilisation of previously unrecognised tax losses	-	-
Effect of Non deductible adjustments for tax purposes	0.07	(2.93)
Income Tax at effective tax rate	117.78	515.19

NOTE - 18 CURRENT LIABILITIES :

Financial Liabilities

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
Borrowings from Bank		
1 Working Capital Loans in INR (Refer to Notes 18.1 to 18.6 below)	4,135.39	6,270.21
	4,135.39	6,270.21

Notes Forming Integral Part of the Balance Sheet

NOTE - 18 CURRENT LIABILITIES : (Contd..)

- 18.1** It includes Bill Purchase Account of ₹ 1277.55 Lacs. (PY ₹ 2311.22 Lacs)
- 18.2** Working Capital Loans from State Bank of India in INR in Cash Credit (Hypo) , Export Packing Credit & Cash Credit (Book Debts), Balance Outstanding ₹ 2487.44 Lacs (PY ₹ 3269.76 Lacs).
- 18.3** Working Capital Loans from HDFC Bank Limited in INR in Cash Credit (Hypo) , Export Packing Credit, Balance Outstanding ₹ 158.20 Lacs (PY ₹ 513.85 Lacs).
- 18.4** Working Capital Loans in INR from State Bank of India in Cash Credit Limits under E-DFS Scheme , Balance Outstanding of ₹ 212.20 Lacs (PY ₹ 175.38 Lacs) Consignment Stockist (IOCL) Division.
- 18.5** The above Working Capital Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, Spares, Book Debts, Export Documents and assets of the company as stated in Note No.15 above.
- 18.6** The above Working Capital Loans have been guaranteed (Personal) by Chairman Emeritus, Managing Director and Deputy Managing Director.

NOTE - 19 TRADE PAYABLES

₹ in Lacs

PARTICULARS	As at	As at
	31 st March, 2020	31 st March, 2019
1 Trade Payable for purchase of Raw Material & Store, Spares (Refer Note 19.1 Below)	175.36	436.24
2 Trade Payable for Services Received	391.50	297.28
	566.86	733.52

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

Amount due to Suppliers being Micro and Small Enterprises	54.59	171.09
Amount due to Others	512.27	562.43
	566.86	733.52

- 19.1** Including ₹ 17.27 Lacs (PY ₹ 51.26 Lacs) of Consignment Stockist (IOCL) Division.

NOTE - 20 Provisions

₹ in Lacs

PARTICULARS	As at	As at
	31 st March, 2020	31 st March, 2019
1 Provision for Quality Claim	9.92	33.46
2 Employee Benefits (Leave Wages/Bonus)	320.23	291.75
	330.15	325.21

NOTE - 21 OTHER CURRENT LIABILITIES

₹ in Lacs

PARTICULARS	As at	As at
	31 st March 2020	31 st March 2019
Current Maturities of :		
1 Long Term Debt	989.00	640.00
2 Finance Lease Obligations on Vehicle	47.51	56.00
Others:		
1 TDS Payable	22.03	26.23
2 Unpaid Dividend	54.96	54.79
3 Unpaid-salary & wages	185.09	194.84
4 Payables in respect of Capital Goods	17.84	116.90
5 Retention Money From Supplier	1.96	-
6 Outstanding Liabilities	232.50	429.35
	1,550.89	1,518.11

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 22 REVENUE FROM OPERATIONS

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(I) Sale of Products		
(i) Plastic Products (Indigenous)	6,363.19	5,692.98
(ii) Plastic Products (Export)	23,137.71	21,917.40
(iii) By-Products	601.10	539.02
	30,102.00	28,149.40
(II) Sale - Trading of Stock -in-Trade		
(i) Plastic Granules/ Others	2,343.49	4,161.99
(ii) Merchant Exports	-	303.32
	2,343.49	4,465.31
(III) Other Operating Revenue		
(i) Commission received (on Consignment Stockiest sales IOCL)	58.51	61.27
(ii) Sale of scrap	91.25	96.86
	149.76	158.13
Total Revenue From Operations (I+II+III)	32,595.25	32,772.84
Less : Goods & Service Tax	1,123.45	986.84
	31,471.80	31,786.00

NOTE - 23 OTHER INCOME

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(i) Export Incentives (Focus Market/Product scheme)	434.23	939.08
(ii) Miscellaneous income	9.01	3.21
(iii) Interest Received	68.60	132.79
(iv) Net Gain on Foreign Exchange Fluctuation	261.52	519.29
(v) Profit on Sale of Investment	6.50	-
(vi) Gain on revaluation of Investments	1.92	30.83
	781.78	1,625.20

NOTE - 24 COST OF THE MATERIALS CONSUMED

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Opening Stock :		
Raw Materials	1,490.87	1,597.30
Add : Purchases	16,263.49	16,317.26
Less : Closing Stock	1,190.89	1,490.87
Materials Consumed	16,563.47	16,423.69

NOTE - 25 PURCHASE OF STOCK IN TRADE

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Purchase of stock-in-trade (Merchant Export)	-	294.34
Purchase of Plastic Granules	2,214.95	4,002.37
	2,214.95	4,296.71

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 26 CHANGES IN INVENTORIES

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Opening Stock :		
Goods in Process	2,497.21	2,003.79
Finished Goods	742.80	134.01
Less : Closing Stock		
Goods in Process	1,892.92	2,497.21
Finished Goods (Includes FG in Transit)	1,137.88	742.80
(Increase) Decrease in Stock	209.21	(1,102.21)

NOTE - 27 EMPLOYEE BENEFITS EXPENSES

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(i) Salaries, Wages ,Bonus & Others	2,803.12	2,590.65
(ii) Contribution to Provident and other Funds	171.84	169.23
(iii) Staff welfare expenses	297.75	252.99
(iv) Directors' Remuneration	189.72	166.66
(v) Directors' Commission	-	91.24
	3,462.43	3,270.77

NOTE - 28 OTHER EXPENSES

₹ in Lacs

PARTICULARS	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
OTHER EXPENSES		
Stores and Spares Consumed	771.55	702.18
Power and Fuel	1,794.40	1,713.55
Other Direct Expenses	2,364.74	2,262.61
Repairs and Maintenance		
- Building'	76.11	89.27
- Plant and Machinery	70.92	110.11
- Others	32.44	34.61
Advertisement and Publicity	8.22	4.99
Traveling and Conveyance		
- Directors' Traveling including Foreign Travel	60.08	44.57
- Sales Staff	29.55	21.02
- Other	76.28	56.74
Selling and Promotional Expenses	92.30	183.56
Freight and Fowarding	1,287.97	957.02
Claims and Discount	57.13	32.49
Bad Trade Receivables/Advances Written Off	25.42	0.10
Legal and Professional	98.90	158.51
Meeting, Recruitment & Training Expenses	11.29	8.96
Printing and Stationery/ Books and Periodicals	28.75	30.50
Vehicle Maintenance	34.74	29.93
Rent	29.69	44.99
Rates and taxes	28.52	33.90
Corporate Social Responsibility	46.90	50.03

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 28 OTHER EXPENSES (Contd..)

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
Communication Expenses	37.25	45.17
Auditors' Remuneration		
Audit Fees	4.00	4.00
Tax & Vat Audit Fees	0.50	0.50
Services for Tax matter	1.77	3.40
Subscription and Memberships	5.68	10.25
Insurance Expenses	106.21	78.89
Directors' Sitting Fees	7.55	8.73
Miscellaneous Expenses	28.79	11.91
Loss on disposal of Fixed Assets	13.29	5.81
	7,230.94	6,738.30

NOTE - 29 FINANCE COSTS

PARTICULARS	₹ in Lacs	
	For the Year ended 31 st March, 2020	For the Year ended 31 st March, 2019
(i) Interest to Bank & others	930.92	775.54
(ii) Interest on Deposits	-	5.44
(iii) Bank Charges	122.10	168.24
	1,053.02	949.22

NOTE - 30 DIVIDEND

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

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

Dividends paid during the year ended 31st March, 2020 include an amount of ₹ 1.80 per equity share towards final dividend for the year ended 31st March, 2019.

Dividends declared by the Company are based on the profit available for distribution. The Board of Directors of the Company have proposed a final dividend of ₹ 0.60 per share in respect of the year ended 31st March, 2020. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 85.88 Lacs.

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

- Manufacturing 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 solar power. The same is consumed by the company in its manufacturing operations.

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 31 SEGMENT REPORTING (Contd..)

b) Summary of Segmental Information

Particulars	Manufacturing Division		Consignment Stockiest		Solar Power Division		Total Operations	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
1. Segment Revenue	32,134.30	33,298.13	119.28	113.07	34.95	38.18	32,288.53	33,449.38
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Sales/Income from Operations	32,134.30	33,298.13	119.28	113.07	34.95	38.18	32,288.53	33,449.38
2. Segment Results (Profit Before Tax and Interest)	1,587.05	3,017.31	77.67	74.89	19.72	23.12	1,684.45	3,115.32
Less : Unallocated Interest Finance Charges	1,023.17	907.65	29.10	38.14	0.75	3.43	1,053.02	949.22
Total Profit before tax	563.88	2,109.66	48.57	36.75	18.97	19.69	631.42	2,166.10
3. Capital Employed (Segment Assets - Segment Liabilities)	12,475.44	12,299.72	89.09	123.52	292.27	250.79	12,856.80	12,674.03
4. Segment Assets	16,139.81	16,305.74	-	-	293.41	269.89	16,433.22	16,575.63
5. Depreciation	875.31	656.48	-	-	12.83	12.14	888.14	668.62

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

PARTICULARS	31.03.2020	31.03.2019
i. Trade Receivables	313.59	331.84
ii. Cash & Bank Balances	0.29	16.33
iii. Short Term Loans & Advances	4.67	2.00
iv. Net Inter Branch Balances	89.09	123.52
v. Trade Payable	17.27	51.27
vi. Other Current Liabilities	-	-
Vii. Short Term Borrowings	212.20	175.38

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

PARTICULARS	31.03.2020	31.03.2019
i. Property, Plant And Equipment	293.41	269.89
ii. Trade Receivables	-	4.35
iii. Cash & Bank Balances	-	-
iv. Short Term Loans & Advances	-	-
v. Net Inter Branch Balances	292.27	250.79
vi. Trade Payable	1.14	-
vii. Other Current Liabilities	-	-
Viii Long Term Borrowings	-	23.45

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 32 EARNING PER SHARE

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

PARTICULARS	₹ in Lacs	
	As at 31 st March, 2020	As at 31 st March, 2019
Basic Earning Per Share		
Numerator of EPS		
Net Profit after Tax (As per Profit/ Loss Account)	493.35	1,633.77
Denominator of EPS		
Weighted Average Number of equity share of ₹ 10/- each ##	14312564	14025218
Basic Earnings per share	3.45	11.65
Diluted Earning Per Share		
Numerator of EPS		
Net Profit after Tax (As per Profit/ Loss Account)	493.35	1,633.77
Denominator of EPS		
Weighted Average Number of equity share of ₹ 10/- each **	14312564	14326143
Diluted Earning per Share	3.45	11.40

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

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

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

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

NOTE - 33 CONTINGENT LIABILITIES

PARTICULARS	₹ in Lacs	
	31 st March, 2020	31 st March, 2019
Counter Guarantees given to Bank for issue of performance guarantees by Bank	642.80	631.00
Legal Undertakings submitted to DGFT under duty exemption Scheme for duty free import of raw materials (to the extent of obligations upto the reporting date)	600.49	248.53
Labour cases pending with Labour Courts / High Court	8.00	10.00

NOTE - 34 RELATED PARTY DISCLOSURES

Disclosure of transactions with related parties as required by IND Accounting Standard 24 (As identified by the management)

The company's related party transactions during the year and outstanding balances as on 31.03.2020 are as under:

(A) Disclosures related to Entity(s) which are controlled/under significant influenced by Director(s)/KMP(s) of Reporting Enterprise:

1. KSM Exports Ltd.
2. MSA Investment & Trading Co. Pvt. Ltd.
3. KPL Packaging Pvt. Ltd.
4. KPL Training and Skill Development Center
5. Vallex Ventures Limited, UK
6. Raghushree Earning Solutions LLP
7. Raghushree Real Estate Private Limited
8. Kanpur Flexibulk Containers Private Limited

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 34 RELATED PARTY DISCLOSURES (Contd..)

(B) Details of Directors & Key Management Personnel

1. Mahesh Swarup Agarwal	- Chairman Emeritus
2. Manoj Agarwal	- Managing Director
3. Shashank Agarwal	- Deputy Managing Director
4. Sunil Mehta	- Executive Director
5. Usha Agarwal	- Director
6. P.S. Khamesra	- Independent Director
7. Subodh Kumar	- Independent Director
8. Ram Gopal Bagla	- Independent Director
9. Akshay Kumar Gupta	- Independent Director
10. Dharam Bir Prasad	- Independent Director
11. Ankur Srivastava	- Company Secretary
12. Vishal Jain	- Chief Financial Officer

(C) Details of Relatives of Directors

1. Manjari Agarwal	- Relative of Director
--------------------	------------------------

Details of Transactions Nature

₹ in Lacs

Particulars	Entity(s) which are controlled/under significant influenced by Director(s)/ KMP(s)		Directors and Other KMPs		Relatives of Directors	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Remuneration/ Others	-	-	232.04	308.73	-
Sitting Fees	-	-	7.55	8.73	-	-
Sales made by the Company	0.52	-	-	-	-	-
Interest on Deposits	-	0.96	-	4.48	-	-
Outstanding Deposits	-	-	-	-	-	-
CSR Expenses	13.52	19.63	-	-	-	-
Rent paid	28.80	20.25	4.80	4.20	-	-
Rent received	0.60	0.60	-	-	-	-

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 35 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

PARTICULARS	₹ in Lacs	
	31 st March, 2020	31 st March, 2019
<i>Enterprises which are under control of the enterprise</i>		
KPL Training and Skill Development Centre	13.52	19.63
Other Expenditure	33.38	30.40
	46.90	50.03

NOTE - 36 EMPLOYEE BENEFITS- DEFINED BENEFIT PLANS

(a) Reconciliation of opening and closing balances of Defined Benefit Obligation

PARTICULARS	₹ in Lacs	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Present value of defined benefit obligation at the beginning of the year	538.74	506.89
Obligation assumed on acquisition of business	-	-
Interest expense	41.21	38.78
Current Service Cost	59.02	56.63
Benefit paid	(57.74)	(49.91)
Remeasurement of (gain)/loss recognised in other comprehensive income	(0.31)	(13.65)
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	-	-
Defined Benefit Obligation at year end	580.92	538.74

(b) Net Defined Benefit asset/ (liability) recognised in the balance sheet

PARTICULARS	₹ in Lacs	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Fair value of plan assets	-	-
Present Value of Defined Benefit Obligation	580.92	538.74
Amount recognised in balance sheet - Asset/(liability)	(580.92)	(538.74)

(c) Net defined benefit expense (recognised in the Statement of Profit or loss for the year)

PARTICULARS	₹ in Lacs	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Current Service Cost	59.02	56.63
Net Interest Cost	41.21	38.78
Net defined benefit expense debited to statement of profit and loss for the year	100.23	95.41

(d) Remeasurement (gain)/loss recognised in other comprehensive income

PARTICULARS	₹ in Lacs	
	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Actuarial changes arising from demographic assumptions	(0.12)	14.17
Actuarial changes arising from financial assumptions	(5.01)	(13.20)
Actuarial changes arising from changes in experience adjustments	4.82	(14.61)
Return on plan assets excluding interest income	-	-
Recognised in other comprehensive income - (Gain)/ Loss	(0.31)	(13.65)

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 37 QUANTITATIVE DISCLOSURES OF FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 31st MARCH, 2020

₹ in Lacs

PARTICULARS	CARRYING VALUE 31 st March, 2020	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	23.74	23.74	-	-
Financial assets measured at amortised cost				
Other non current assets	51.00	-	-	51.00
Other non current financial assets	343.71	-	-	343.71
Trade receivables	3,912.95	-	-	3,912.95
Cash & cash equivalents	2.44	-	-	2.44
Other bank balances	121.42	-	-	121.42
Other current financial assets	790.95	-	-	790.95
Financial liabilities measured at amortised cost				
Non current financial liabilities				
Borrowings	5,538.44	-	-	5,538.44
Other financial liabilities	-	-	-	-
Current financial liabilities				
Borrowings	4,135.39	-	-	4,135.39
Trade payables	566.86	-	-	566.86
Other financial liabilities	-	-	-	-
Other current liabilities	1,550.89	-	-	1,550.89

₹ in Lacs

PARTICULARS	CARRYING VALUE 31 st March, 2019	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
Financial assets measured at fair value				
Investments measured at				
(I) Fair value through other comprehensive income	-	-	-	-
(II) Fair value through profit & loss				
Investment property	-	-	-	-
Non current financial investment	-	-	-	-
Current financial investment	621.29	621.29	-	-
Financial assets measured at amortised cost				
Other non current assets	112.48	-	-	112.48
Other non current financial assets	367.33	-	-	367.33
Trade receivables	4,643.58	-	-	4,643.58
Cash & cash equivalents	22.18	-	-	22.18
Other bank balances	124.88	-	-	124.88
Other current financial assets	1,147.14	-	-	1,147.14

Notes Annexed to and Forming Part of the Profit & Loss

NOTE - 37 QUANTITATIVE DISCLOSURES OF FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 31st MARCH, 2020 (Contd..)

PARTICULARS	CARRYING VALUE 31 st March, 2019	FAIR VALUE		
		LEVEL 1	LEVEL 2	LEVEL 3
₹ in Lacs				
Financial liabilities measured at amortised cost				
Non current financial liabilities				
Borrowings	5,831.39	-	-	5,831.39
Other financial liabilities	-	-	-	-
Current financial liabilities				
Borrowings	6,270.21	-	-	6,270.21
Trade payables	733.52	-	-	733.52
Other financial liabilities	-	-	-	-
Other current liabilities	1,518.11	-	-	1,518.11

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.

The accompanying schedules form an integral part of the accounts

As per our Report of even date attached

For and on behalf of the Board of Directors

For **RAJIV MEHROTRA & ASSOCIATES**

Chartered Accountants
Firm Regd. No.: 002253C

VISHAL JAIN

Chief Financial Officer

MANOJ AGARWAL

Managing Director

RAJIV MEHROTRA

Partner
Membership No.: 071428

ANKUR SRIVASTAVA

Company Secretary

SHASHANK AGARWAL

Deputy Managing Director

Place: Kanpur

Date: 30.05.2020



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