



KANPUR PLASTIPACK LIMITED

Our Company was originally incorporated as 'Kanpur Plastipack Private Limited', a private limited company under the provisions of the Companies Act, 1956 pursuant to the grant of Certificate of Incorporation dated July 26, 1971 by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, our Company was converted into public limited company and a fresh Certificate of Incorporation in the name of 'Kanpur Plastipack Limited' was issued by the Registrar of Companies, Uttar Pradesh, Kanpur on December 9, 1985. For further details, please refer the chapter titled "History and Corporate Structure" beginning on page 64 of this Draft Letter of Offer.

Registered Office: D 19-20, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India – 208022

Telephone Number: +91-512-2691113/14/15/16; **Facsimile Number:** +91-512-2691117

Contact Person: Mr. Ankur Srivastava, Company Secretary & Compliance Officer

Website: www.kanplas.com **Email:** secretary@kanplas.com

Corporate Identity Number: L25209UP1971PLC003444



PROMOTERS OF OUR COMPANY: MR. MAHESH SWARUP AGARWAL, MR. MANOJ AGARWAL AND MR. SHASHANK AGARWAL			
FOR PRIVATE CIRCULATION TO THE ELIGIBLE SHAREHOLDERS OF KANPUR PLASTIPACK LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY			
ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“RIGHTS EQUITY SHARE(S)”) FOR CASH AT A PRICE OF ₹ [●] EACH INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (“ISSUE PRICE”) AGGREGATING TO AN AMOUNT NOT EXCEEDING ₹ 2,000 LAKH ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (“THE “ISSUE”)”. THE ISSUE PRICE FOR THE EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER THE CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 122 OF THIS DRAFT LETTER OF OFFER.			
PAYMENT METHOD			
Amount payable per Rights Equity Share*	Face Value (₹)	Premium (₹)	Total (₹)
On Application	₹ 5.00	₹ [●]	₹ [●]
On First and Final Call	₹ 5.00	₹ [●]	₹ [●]
* For details on the payment method, please refer the chapter titled “Terms of the Issue” beginning on page 122 of this Draft Letter of Offer.			
In terms of Regulation 17 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“ICDR Regulations”), our Company shall ensure that the Call Money (defined hereinafter) is collected within 12 months from the Allotment Date (defined hereinafter). In case an Investor (defined hereinafter) fails to pay the amount of the Call Money within the said 12 months from the Allotment Date, the Equity Shares in respect of which any amount of the Call Money remains outstanding shall be forfeited, along with the Application Money (defined hereinafter) already paid. For risks associated with the Payment Method, please refer risk factor number 2 on page 15 of this Draft Letter of Offer. For further details, please refer the chapters titled “Terms of the Issue” and “Risk Factors” beginning on page 122 and 14 respectively of this Draft Letter of Offer.			
GENERAL RISKS			
Investments in equity and equity related securities involve a high degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Investors are advised to please refer the section titled “Risk Factors” beginning on page of 14 this Draft Letter of Offer before making an investment in this Issue.			
ISSUER’S ABSOLUTE RESPONSIBILITY			
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.			
LISTING			
The existing Equity Shares of our Company are listed on BSE Limited (“BSE” / “Stock Exchange”). Our Company has received an in-principle approval from BSE for listing of the Equity Shares to be allotted in this Issue pursuant to the letter dated [●]. Since the existing Equity Shares of our Company are listed on BSE only, BSE shall be the Designated Stock Exchange for the purpose of this Issue.			
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
			
Vivro Financial Services Private Limited 607-608 Marathon Icon, Veer Santaji Lane, Opposite Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra, India – 400013 Telephone Number: +91-22-66668040; Facsimile Number: +91-22-66668047 Website: www.vivro.net Email: kanplas@vivro.net Investor Grievance Email: investors@vivro.net Contact Person: Mr. Anish Akruwala / Mr. Harish Patel SEBI Registration Number: INM0000010122 CIN: U67120GJ1996PTC029182		Skyline Financial Services Private Limited D-153/A, First Floor, Okhla Industrial Area, Phase I, New Delhi, India - 110020. Telephone Number: + 91-11-26812683 Facsimile Number: +91-11-26292681 Website: www.skylinerta.com Email: viren@skylinerta.com Investor Grievance Email: grievances@skylinerta.com Contact Person: Mr. Virender Rana SEBI Registration Number: INRO00003241 CIN: U74899DL1995PTC071324	
ISSUE PROGRAMME			
ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON	
[●]	[●]	[●]	

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this section. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Conventional / General terms or abbreviations

Term	Description
“₹” / “Rs.” / “Rupees” / “INR”	Indian Rupees
A/c	Account
AGM	Annual General Meeting
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
AS / Accounting Standard	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BIFR	Board For Industrial And Financial Reconstruction constituted under Section 4 of Sick Industrial Companies (Special Provisions) Act, 1985
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2003/ Companies (Auditor’s Report) Order, 2016
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
CSR	Corporate Social responsibility
CST	Central Sales Tax
CTS	Cheque Truncation System
Depositories Act	Depositories Act, 1996 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant’s Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FII(s)	Foreign Institutional Investors, as defined under Regulation 2(1)(g) of the SEBI (Foreign Portfolio Investors) Regulations, 2014, registered with SEBI under applicable laws in India.
Fiscal / Fiscal Year / Financial Year / FY	12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year
Government / GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
I. T. Act / IT Act	Income Tax Act, 1961

Term	Description
ICAI	Institute of Chartered Accountants of India
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financing Reporting Standards
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles followed in India
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
ISIN	International Securities Identification Number allotted by the depository.
Lakh	One hundred thousand
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of Understanding
NA/N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NEFT	National Electronic Fund Transfer.
NR	Non Resident
NRE	Non Resident External Account
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
p.a.	Per Annum
P/E Ratio	Price / Earnings Ratio.
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI ICDR Regulations / ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Regulations	ICDR Regulations, SEBI Merchant Bankers and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time.
SEBI Takeover Regulations / SAST Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The United States Securities Act of 1933, as amended
Shops Act	UP Shops and Commercial Establishments Act, 1962
SICA	Sick Industrial Companies (Special Provisions) Act
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999

Term	Description
UP	Uttar Pradesh
UPPCB	Uttar Pradesh Pollution Control Board
UPSIDC	Uttar Pradesh State Industrial Development Corporation
U.S/United States	The United States of America
USD / US\$	United States Dollars
Water Act	The Water (Prevention and Control of Pollution) Act, 1974

Issue related terms or abbreviations

Term	Description
Abridged Letter of Offer	The Abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to this Issue in accordance with the SEBI ICDR Regulations.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment/ Allot/ Allotted/ Allotment of Equity Shares	The allotment of Rights Equity Shares pursuant to the Issue
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the Basis of Allotment has been approved by the BSE
Allotment Date	The date on which Allotment is made
Allottee(s)	Person(s) to whom Rights Equity Shares of our Company are Allotted pursuant to the Issue
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in this Issue at the time of the making application for the Rights Equity Shares as per the Payment Method, being ₹ [●] per Equity Share, i.e. 50% of the Issue Price
Applicants / Investors	Eligible Equity Shareholder(s) and/or Renouncees who make an application for the Rights Equity Shares in terms of this Draft Letter of Offer, including an ASBA Applicant
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application.
ASBA Applicant(s) / ASBA Investor(s)	<p>Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and:</p> <ol style="list-style-type: none"> 1. Who are holding the Equity Shares of our Company in dematerialised form as on the Record Date and have applied towards their Rights Entitlements and/or Additional Rights Equity Shares in dematerialised form; 2. Who have not renounced their Rights Entitlements in full or in part; 3. Who are not Renouncees; and 4. Who are applying through blocking of funds in bank accounts maintained with SCSBs. <p>All (i) QIBs, (ii) Non-Institutional Investors, and (iii) other investors whose application value exceeds ₹ 200,000, can participate in the Issue only through an ASBA process</p>
Bankers to the Company	State Bank of India and HDFC Bank Limited
Banker to the Issue/ Escrow Collection Banks	[●]
Call	Call notice sent by the Company to each of the holders of the partly paid-up Equity Shares as on the Call Record Date, for making a payment of Call Money
Call Money / First and Final Call	Aggregate amount payable in respect of the Equity Shares applied for in this Issue at the time of the Call pursuant to the Payment Method, being ₹ [●] per

Term	Description
	Equity Share, i.e. 50% of the Issue Price
Call Record Date	The date fixed by the Company for the purpose of determining the names of the holders of partly paid-up Equity Shares for the purpose of issuing of the Call.
Composite Application Form/ CAF	The application form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue
Consolidated Certificate	In case of holding of Equity Shares in physical form, the certificate that our Company would issue for the Rights Equity Shares Allotted to one folio.
Controlling Branches of the SCSBs/ Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 1996, as amended from time to time
Draft Letter of Offer	This Draft Letter of Offer dated September 15, 2017, filed with SEBI
Eligible Shareholders/ Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date
Issue / Rights Issue	Issue of [●] Equity Shares with a face value of ₹ 10 each for cash at a price of ₹ [●] (including a share premium of ₹ [●] per Equity Share) aggregating to an amount not exceeding ₹ 2,000 Lakh on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] fully paid-up Equity Shares held on the Record Date i.e. [●]
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ [●] per Rights Equity Share
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of [●] Rights Equity Shares for an amount not exceeding ₹ 2,000 Lakh
Lead Manager	Vivro Financial Services Private Limited
Letter of Offer / LOF	The final letter of offer to be filed with the Stock Exchange after incorporating observations received from SEBI on this Draft Letter of Offer.
Listing Agreement	Uniform listing agreement entered into under the Listing Regulations entered into between our Company and the Stock Exchange, as the context may refer to
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 46 of this Draft Letter of Offer
NAV	Net Asset Value calculated as Net Worth divided by number of paid up equity shares.
Net Worth	Paid up share capital plus reserves and surplus (excluding revaluation reserves, if any) less miscellaneous expenditure, if any.
Non – ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process.
Non Institutional Investor(s)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto
QIBs/ Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the ICDR Regulations
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Equity Shares i.e. [●].
Refund Bank	[●]

Term	Description
Refund through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registered Foreign Portfolio Investors/ Foreign Portfolio Investors/ Registered FPIs/ FPIs	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014
Registrar to the Issue/ Registrar and Transfer Agent/ RTA	Skyline Financial Services Private Limited
Renouncee(s)	Person(s) who has/ have acquired Rights Entitlements from the Eligible Equity Shareholders
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to ₹ 2 Lakh.
Rights Entitlements	The number of Rights Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date.
Rights Equity Shares / Rights Shares	The Equity Shares of face value ₹10 each of our Company offered and to be issued and allotted pursuant to the Issue.
Self-Certified Syndicate Bank/ SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 .
Split Application Form/ SAF	Split application form(s) is an application form used in case of renunciation in part by an Eligible Shareholder in favour of one or more Renouncee(s).
Share Certificate	The certificate in respect of the Rights Equity Shares allotted to a folio in a physical form
Stock Exchange	BSE, where the Equity Shares of our Company are presently listed
Wilful Defaulter	Company or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Issue Closing Date and listing of the Securities on the Stock Exchange, “Working Days” shall mean all days excluding Sundays and bank holidays in Delhi or Mumbai in accordance with the SEBI circular number CIR/CFD/DIL/3/2010 dated April 22, 2010.

Company related terms or abbreviations

Terms	Description
“Kanpur Plastipack Limited” or “the Company” or “our Company” or “the Issuer” or “KPL” or “We” or “Us”	Kanpur Plastipack Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at D 19-20, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India – 208022.
Articles / Articles of Association / AoA	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditor	The Statutory Auditors of our Company being Pandey & Company, Chartered Accountants.
Board / Board of Directors / Our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value ₹10 each of our Company.
Existing Facilities	(1) Unit 1: D 19-20, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India (2) Unit 2: A 1-2, Udyog Kunj, Site - V, Panki Industrial Area,

Terms	Description
	P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India (3) Unit 3: D 6, Site - II, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India, (4) Unit 4: 79 A, Co-operative Industrial Estate, Dada Nagar, Kanpur, Uttar Pradesh, India (5) Unit 5: C 11, Site-I, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India.
Group Companies / Group Entities	This includes such companies or entities as covered under the applicable accounting standards and also other companies as considered material by the Board of our Company in terms of Materiality Policy adopted by our Board on September 15, 2017.
New Manufacturing Facility	New facility at 'Gajner Road, Raipur, Fatehpur Roshnai, Akbarpur, Kanpur Dehat, Uttar Pradesh, India – 209121' for consolidating certain existing operations and expansion of capacity for manufacturing FIBC, Fabric, MFY & Liner
Internal Auditors	SKVA & Company, Chartered Accountants, 117/H-1/144(575), Pandu Nagar, Kanpur Uttar Pradesh, India - 208005
Key Managerial Personnel / KMP	Mr. Manoj Agarwal, Managing Director, Mr. Arvind Gunjan, Chief Financial Officer and Mr. Ankur Srivastava, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company.
Memorandum/Memorandum of Association / MoA	The Memorandum of Association of our Company, as amended from time to time.
Promoters	Promoters of our Company are Mr. Mahesh Swarup Agarwal, Mr. Manoj Agarwal and Mr. Shashank Agarwal
Promoter Group	Persons and entities forming part of our promoter group as determined in terms of the Regulation 2(1)(zb) of the ICDR Regulations and the persons and entities as disclosed to BSE under Regulation 31 filings made by our Company under the of Listing Regulations.
Registered Office	Registered office of our Company is situated D 19-20, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India – 208022
Registrar of Companies / ROC	Registrar of Companies, Kanpur
Shareholder(s)	Equity Shareholders of our Company
Term Loan	Sanctioned term loan of ₹ 5,500 Lakh by State Bank of India Limited (₹3,500 Lakh) and HDFC Bank Limited (₹ 2,000 Lakh) vide their sanction letter dated June 21, 2017 and July 25, 2017 respectively for part financing the New Manufacturing Facility
Term Lenders	State Bank of India Limited and HDFC Bank Limited

Business / Industry related terms or abbreviations

Term	Description
FIBC	Flexible Intermediate Bulk Container
HBTI	Harcourt Butler Technical Institute
HDPE	High Density Poly Ethylene
LDPE	Low Density Poly Ethylene
LLDPE	Linear Low Density Poly Ethylene
MFY	Multi Filament Yarn
MTPA	Metric Tons Per Annum
PE	Poly Ethylene
PP	Poly Propylene

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. We are making this Issue of Rights Equity Shares on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer / Abridged Letter of Offer and CAFs to such shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer/Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer / Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI. Accordingly, the Rights Entitlement or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs must be treated as sent for information only and should not be copied, redistributed or acted upon. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or date of such information.

The contents of this Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("**Securities Act**"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("**United States**" or "**U.S.**") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("**Regulation S**")), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer, the Letter of Offer and Abridged Letter of Offer

relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer / Letter of Offer / Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, no payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this issue of Equity Shares on a rights basis to the Eligible Equity Shareholders of our Company and this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer and CAF will be dispatched to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlement and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that, at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Financial Data

Unless stated otherwise, the financial information and data in this Draft Letter of Offer is derived from Audited Financial Statements for the Financial Year ended March 31, 2017. For further details please refer the chapter titled "*Financial Statements*" beginning on page 71 of this Draft Letter of Offer. We publish our financial statements in Indian Rupees.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular "financial year" or "fiscal year" or "Fiscal" are to the 12 (twelve) month period ended March 31 of that year.

Our Company prepares its financial statements in accordance with Indian GAAP, applicable accounting standards and guidance notes issued by the ICAI, the Companies Act and other statutory and/or regulatory requirements. Indian GAAP differs significantly in certain respects from Ind AS, IFRS and US GAAP. Neither the information set forth in our financial statements nor the format in which it is presented should be viewed as comparable to information prepared in accordance with IFRS or any accounting principles other than principles specified in the Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Numerical values have been rounded off to two decimal places.

The MCA notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015, providing revised roadmap on implementation of Ind-AS, which stipulates implementation of Ind-AS in a phased manner beginning from accounting period 2016 – 2017. As per the above mentioned notification, companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than ₹ 50,000 Lakh, shall comply with Ind-AS for the accounting periods beginning on or after April 1, 2017, with the comparatives for the periods ending on March 31, 2017. Accordingly, our Company would mandatorily be required to comply with Ind-AS for the accounting periods beginning on or after April 1, 2017, with the comparatives for the periods ending on March 31, 2017.

Our historical audited financial statements are prepared in accordance with the Companies Act and Indian GAAP. Given that Ind-AS differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind-AS relating to any period subsequent to April 1, 2017, may not be comparable to our historical financial statements prepared under Indian GAAP. As of the date of this Draft Letter of Offer, we have not prepared or presented any financial statements for our Company in accordance with Ind-AS, and are in the process of evaluating the difference in accounting policies and practices under Ind-AS and Indian GAAP that may be reasonably expected to impact the preparation and presentation of our future financial statements, and, to the extent applicable, our historical financial statements, in accordance with Ind-AS. The preparation of our financial statements in accordance with Ind-AS may require our management to make judgments, estimates and assumptions. Based upon management's evaluation of the relevant facts and circumstances as on the date of the relevant financial statements, and such estimates and underlying assumptions may be reviewed in the future on an on-going basis.

Indian GAAP differs in certain respects from generally accepted accounting principles in other countries as well as from IFRS. We publish our financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For details in connection with risks involving differences between Indian GAAP and other accounting principles and risks in relation to IFRS, refer risk factor number 51 *“Significant differences exist between the accounting principles of existing / erstwhile Indian GAAP as compared to Ind AS and IFRS, which investors may consider material to their assessment of our Company’s financial condition”*, on page 27 of this Draft Letter of Offer.

Currency of Presentation

All references to “Rs.” or “₹” or “INR” or “Rupees” refer to Indian Rupees, the lawful currency of the Republic of India. Any reference to “USD” or “US\$” or “\$” refers to the United States Dollar, the lawful currency of the United States of America.

Exchange Rate

The following tables provide information with respect to the exchange rate for the Indian rupee per USD 1.00. The exchange rates are based on the reference rates released by the Reserve Bank of India, which is available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ Per USD 1.00)				
Financial Year ended March 31,	Period End ⁽¹⁾	Average ⁽²⁾	High	Low
2017	64.84	67.09	68.72	64.84
2016	66.33	65.46	68.78	62.16
2015	62.59	61.15	63.75	58.43
2014	60.10	60.50	68.36	53.74
2013	54.39	54.45	57.22	50.56
Month Ended:				
August 31, 2017	64.02	63.97	64.24	63.63
July 31, 2017	64.08	64.46	64.82	64.08
June 30, 2017	64.74	64.44	64.74	64.26
May 31, 2017	64.55	64.42	64.99	64.02
April 30, 2017	64.22	64.51	65.04	64.00
March 31, 2017	64.84	65.88	66.85	64.84

Source: www.rbi.org.in

⁽¹⁾ Represents the reference rate released by the Reserve Bank of India on closing of the last working day of the period.

⁽²⁾ Represents the average of the reference rates released by the Reserve Bank of India on closing of each day during the period for each year and month presented.

The reference rate on September 14, 2017 was USD 1.00 = ₹ 64.07.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement business plans including those for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- General economic and business conditions in the markets in which we operate;
- Changes in laws and regulations relating to the industry in which we operate;
- Increased competition in packaging industry;
- Changes in technology;
- Changes in political and social conditions in India or in other countries that may adversely affect us (directly or indirectly), the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Any adverse outcome in the legal proceedings in which we are involved.
- The performance of the financial markets in India and globally.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “*Risk Factors*” beginning on page 14 of this Draft Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI / Stock Exchange requirements, our Company and Lead Manager will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

SECTION II- RISK FACTORS

RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risk set out in this Draft Letter of Offer may not be exhaustive and additional risk and uncertainties not presently known to us, or which may arise or may become material in the future. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to regulatory environment that may differ significantly from one jurisdiction to another. In making an investment decision, prospective investors must rely on their own examinations of our Company the terms of this Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in this Issue.

For further details, please refer the section titled “Financial Information” beginning on page 71 of this Draft Letter of Offer, as well as the other financial and statistical information contained in this Draft Letter of Offer.

This Draft Letter of Offer also contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. For further details, please refer the chapter titled “Forward-Looking Statements” beginning on page 13 of this Draft Letter of Offer.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Financial Statements

MATERIALITY

The Risk Factors contained herein have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may not be material individually but may be found material collectively.
2. Some risks may have an impact which is qualitative though not quantitative.
3. Some risks may not be material at the time of making the disclosures in this Draft Letter of Offer but may have a material impact in the future.

INTERNAL RISK FACTORS

1. ***Our Company is involved in various legal proceedings, which if determined against us, could have an adverse impact on our business.***

Our Company is involved in various legal proceedings which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and other parties. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our business and results of operations. A summary of material outstanding legal proceedings as of date of this Draft Letter of Offer, to the extent quantifiable, are set out below:

Nature of Cases	Number of cases/disputes	Amount involved where quantifiable (₹ in Lakh)
<i>Litigation against and by our Company</i>		
<i>Litigation against our Company</i>		
Civil Cases	3	Not Quantifiable
Criminal Cases	-	-
Revenue Proceedings (Direct Tax)	2	369.00
Revenue Proceedings (Indirect Tax)	3	32.56
Total	8	-
<i>Litigation by our Company</i>		
Civil Cases	3	Not Quantifiable
Criminal Cases	-	-
Revenue Proceedings (Direct Tax)	-	-
Revenue Proceedings (Indirect Tax)	-	-
Total	3	-

For further details, please refer the chapter titled “*Outstanding Litigations and Other Defaults*” beginning on page 106 of this Draft Letter of Offer. Such legal proceedings could divert management time and attention, and consume financial resources in their defense or prosecution. We cannot assure you that these legal proceedings will be decided in our favor. Any adverse order or direction in these matters could have a material adverse impact on our business, results of operations and financial condition.

- Investment in partly paid-up Rights Equity Shares in the Issue is exposed to certain risks. The partly paid-up Rights Equity Shares of our Company will not be traded with effect from the Call Record Date fixed for the determination of the Investors liable to pay at the First and Final Call. The holders of the partly paid up Rights Equity Shares will not be able to trade in these shares till they are credited to the holders’ account as fully paid-up.***

The Issue Price of Rights Equity Shares of our Company is ₹ [●] per Rights Equity Share. Investors will have to pay ₹ [●] which constitutes [●] % of the Issue Price on application and the balance ₹ [●] which constitutes [●] % of the Issue Price on the First and Final Call made by our Company. The Rights Equity Shares offered under the Issue will be listed under a separate ISIN for the period as may be applicable prior to the record date for the First and Final Call. An active market for trading may not develop for the partly paid-up Rights Equity Shares and, therefore, the trading price of the partly paid-up Rights Equity Shares may be subject to greater volatility than our fully-paid Rights Equity Shares.

If the Investor fails to pay the balance amount due with any interest that may have accrued thereon after notice has been delivered by our Company, then any of our Rights Equity Shares in respect of which such notice has been given may, at any time thereafter, before payment of the First and Final Call and interest and expenses due in respect thereof, be forfeited by a resolution of our Board to that effect. Such forfeiture shall include all dividends declared in respect of such forfeited Rights Equity Shares and actually paid before such forfeiture. Investors are only entitled to dividend in proportion to the amount paid up and the voting rights exercisable on a poll by Investors shall also be proportional to such Investor's share of the paid-up equity capital of our Company. If certain Investors do not pay the full amount, we may not be able to raise the amount proposed under the Issue.

The ISIN representing partly paid-up Rights Equity Shares will be terminated after the Call Record Date. On payment of the First and Final Call in respect of the partly paid-up Rights Equity Shares, such partly paid-up Rights Equity Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN for the Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of Allottees to whom the notice for First and Final Call would be sent. With effect from the Call Record Date, trading in the partly paid-up Equity Shares for which First and Final Call have been made would be suspended for such period as may be applicable under the rules and regulations. The holders of the partly paid-up Equity Shares will not be able to trade in these shares till they are credited to the holders account as fully paid-up Equity Shares.

- Our Company was declared sick by BIFR on 11th March 1991.***

Our Company incurred a loss of ₹ 172.45 Lakh for FY 1989-90 and the entire net worth of our Company was eroded

on account of drastic reduction of Company's production followed by promulgation of statute for mandatory use of jute packaging material and increase in excise duty structure and higher state sales tax along with frequent power shortages. The deteriorating financial health of our Company led to Company being declared as a sick unit by BIFR vide the order dated March 11, 1991 under Section 15(1) of SICA.

Subsequently, BIFR sanctioned the rehabilitation package in the year 1992 and approved the one time settlement of dues to the financial institutions in the year 1997. The said packages had stipulated to bring additional funds by way of equity by the Promoters. With our Company's thrust on exports, the financial performance of our Company improved and with that result, our Company came out of the purview of SICA vide the order dated August 17, 2000. However, we cannot provide any assurance that our Company may maintain profits in future and such instances will not arise at all.

4. *As on the date of this Draft Letter of Offer, one investor complaint is outstanding on SCORES.*

Our Company has received a complaint from Suketu Patel, on behalf of Kalpana Manubhai Patel, Maniben D. Patel and Suketu Manubhai Patel, pertaining to refusal of transfer of shares allegedly held by them by the RTA on the grounds that the duplicate share certificates for the said shares being already issued and dematerialized. The complaint has yet not been redressed by our Company as on the date of filing of this Draft Letter of Offer. The time normally taken for disposal of various types of investor grievances by RTA is 30 days, however, we cannot assure you that such outstanding investor grievance would get redressed by our Company and RTA during this period.

5. *Our Registered office and our Existing Facilities used by our Company for the purposes of our operations and business are on lease or sub-lease from UPSIDC and private lessors. Any termination of such lease or sub lease agreements or failure to renew the same could adversely affect our business. Further, the sub - lease agreement for the Existing Facilities situated at Unit 5 has expired and is not yet renewed. Also, the lease agreement for the Existing Facilities situated at Unit 3 entered into by us is not adequately stamped and has yet not been registered.*

Our Registered office and our Existing Facilities are on lease or sub-leased from various lessors. There can be no assurance that our Company will be able to successfully renew the lease or sub-leased agreements in a timely manner or at all. Further there can be no assurance that we will not face any disruption of our rights as a lessee and that such lease or sub-lease agreements will not be terminated prematurely by the lessor. Any such non-renewal or early termination or any disruption of our rights as lessee will adversely affect our business.

Further, the sub-lease agreement for the Existing Facilities situated at Unit 5 has expired and we are yet to renew the same. This unit shall be subsumed in the forthcoming New Manufacturing Facility but till such time, we do not have any subsisting agreement for the same. Moreover, lease agreement for the Existing Facilities situated at Unit 3 may not be adequately stamped or registered. The potential consequence of this could be that in the event that there is any litigation over these properties in the future, these documents may not be permitted as evidence before a court of law.

Additionally, there is a pending litigation in relation to non-payment of sufficient stamp duty with regard to the Existing Facilities situated at Unit 2, which has been leased to us by UPSIDC vide lease deed dated March 31, 2008, wherein a stay order has been granted to us against the auction notice dated January 13, 2012. Any decision against us in this matter, or any other litigation, if filed, with regard to non-payment/insufficient payment of stamp duty, may result in financial implications and thereby cause an adverse effect on our business and financial condition. For further details, please refer the chapter titled "*Outstanding Litigation and Other Defaults*" beginning on page 106 of this Draft Letter of Offer.

6. *Our Company is unable to trace certain secretarial records including the lease agreement for the Existing Facilities situated at Unit 4.*

Our Company is unable to trace certain secretarial forms, specifically the records pertaining to change in our registered office in the year 1987 and the lease agreement for the Existing Facilities situated at Unit 4. While our Company believes that the secretarial forms were duly filed, and the lease agreement was duly stamped and executed, we have been unable to locate copies of these documents in our records or obtain copies of the same from the appropriate authorities. We cannot assure you that these documents will be available in the future or that we will not be subject to any penalties imposed by the competent authority in connection with these documents.

7. ***We are yet to obtain the requisite license under the Shops Act for the Existing Facilities situated at Unit 4 and Unit 5. Any failure to obtain and thereafter, to maintain or renew the same in a timely manner or at all, may adversely affect our operations.***

Our Company is yet to file an application to obtain registration under the Shops Act for the Existing Facilities situated at Unit 4 and Unit 5. This delay in obtaining the registration under the Shops Act may result in penalties being imposed on our Company under the said Act. If we fail to comply with any applicable laws and regulations, or fail to obtain, and thereafter to maintain or renew the license under the Shops Act, the relevant regulatory authorities may impose fines and penalties on us. Any action brought against us for alleged violations of applicable laws or regulations, even if our defense thereof is successful, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business and may adversely affect our operations.


8. ***We had not obtained registration under the Central Excise Act, 1944 for our Existing Facilities situated at Unit 4. Though this legislation has been subsumed by GST Act, 2017, in the event that any action is taken by the regulatory authority for past non-compliance, the same may adversely affect our operations.***

Our Company had yet not obtained registration under the Central Excise Act, 1944 for our Existing Facilities situated at Unit 4. The Central Excise Act, 1944 which has now been subsumed by the GST Act, 2017. Accordingly, our Company has obtained provisional GST registration. However, in the event that any action is taken by the regulatory authority for past non-compliance, and any liability arises out of the same, it may adversely affect our operations.

9. ***The Government of Uttar Pradesh has initiated certain rain water harvesting and ground water recharge measures in the state, wherein buildings occupying area exceeding the limit specified by the Government are required to make provisions for rain water harvesting. Our Company is yet to undertake these measures for the Existing Facilities situated at Unit 1, Unit 2 and Unit 3.***

The Government of Uttar Pradesh came out with a comprehensive policy for ground water management, rain water harvesting and ground water recharge in the state vide Government Order dated February 18, 2013 and has undertaken various other policy measures for the same. In accordance with the extant policy, buildings occupying area exceeding the limit specified by the Government are required to make provisions for rain water harvesting. Our Company is yet to undertake these measures for the Existing Facilities situated at Unit 1, Unit 2 and Unit 3. These units shall be subsumed in the forthcoming New Manufacturing Facility, however, until such time, we have not undertaken any measures for rain water harvesting for the said units.

10. ***We have not obtained registrations of either our logo  or our brand name under the Trade Marks Act, 1999 for the protection of our intellectual property. Unauthorized parties may infringe our intellectual property by selling their products under our brand name, which could have a material adverse effect on our business, prospects, results of operations and financial condition. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.***

Our logo i.e.  is not registered. We have made application for registration of our logo and of the existing brand name which are used in the business which are pending before the Registrar of Trademarks for approval. Details of the applications for certain trademark registrations under the provisions of the Trade Marks Act are as under:

Sr. No.	Application Number	Class	Description	Current Status
1.	2636457	99	Kanplas (Label)	Objected
2.	2623199	99	Kanpur Plastipack Limited (Device)	Objected

The applications are currently reflected on the website of the trademark ministry with the status as set out in the table above. On the date of this Draft Letter of Offer, we do not enjoy the statutory protections accorded to a registered trademark.

There can be no assurance that the applications made by us will not be refused or that, third parties will not infringe our intellectual property, causing damage to our business, prospects, results of operations and financial condition. Till the time our brand name and our logo are registered, we can only protect them through an action under common laws, including seeking relief against "passing off" action by any person. Any failure to register or to protect our intellectual property rights may adversely affect our branding, causing us to be unable to capitalize on our brand recognition and may have an adverse effect on our business, prospects, results of operations and financial condition.

11. *We derive a substantial portion of our revenue from limited number of customers.*

We derive a substantial portion of our revenue from limited number of customers. Our top ten customers contributed 51.85% & 59.26% of our sales for FY 2015-16 and FY 2016-17 respectively. In the event that any of these top ten customers decide to procure their requirement from other suppliers, our revenues and profitability may get adversely affected. Our company's revenue from the top ten customers as a percentage to total sales is as follows:

(₹ in Lakh)

FY 2016-17			FY 2015-16		
Sales from top ten customers	Total Sales for the period	% of Total Sales	Sales from top ten customers	Sales from top ten customers	Total Sales for the period
13,763.50	23,226.78	59.26%	12,042.04	23,673.12	51.85%

In order to facilitate a consequent increase in our sales and to reduce the dependence on few customers, our management constantly endeavors to increase our clientele. However, there can be no assurance that we will be able to add new customers or retain these existing customers. If one or more of these existing customers are unable or unwilling to continue their business relationships with us and we are unable to build strong relationships on similar scale with new customers, our business and results of operations may be affected. Any deterioration in our relationship with any of them would have a significant adverse impact on our business, results of operations and financial condition.

12. *Substantial part of our revenue is generated from exports. The varying duties imposed by the export destination countries and/or our inability to sustain current levels of export business may adversely affect our business, results of operations and financial condition.*

Out of the total sales of ₹ 23,920.93 Lakh for FY 2016-17, the total export sales are ₹19,783.53 Lakh which constitutes 82.70 % of total sales for FY 2016-17. However, there is no assurance that we will be able to sustain or grow our current levels of exports in the future. Also, the destination countries impose varying duties on our products. There can be no assurance that the duties imposed by such destination countries will not increase. Any change or increase in such duties may adversely affect our business, results of operations and financial condition. Export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements may place us at a competitive disadvantage compared to manufacturers in other countries and may adversely affect our business, results of operations and financial condition. Further, adverse changes in import policies in countries to which we export our products may also impact our export business. In the event that we are unable to sustain the current levels of export business, it may adversely affect our business, results of operations and financial condition.

13. *Our revenues are concentrated in the U.S. and Western Europe as the usage of FIBC is mainly confined to these regions. Economic slowdown, adverse geopolitical factors and other factors that affect these regions may in turn affect our business.*

We rely significantly on the export of our products to the U.S. and Western Europe as the usage of FIBC is mainly confined to these regions. Accordingly, we are particularly prone to the overall health of the economy as well as any geopolitical factors and other factors in the U.S. and Western Europe. The market in these regions may be affected by a number of factors outside our control, including local and economic conditions, changes in demand and supply for products comparable to those that we develop, and changes in Government regulations. A slowdown could adversely affect our business and results of operations including our ability to implement our strategy.

14. ***Our Company has a geographical disadvantage due to non-proximity to ports and thereby reduces our cost competitiveness.***

We are operating our business from our Existing Facilities located at Kanpur, Uttar Pradesh. As Kanpur is located in the northern region of India, it does not have any proximity to ports. Therefore, our Company has to rely on ports located near cities such as Mumbai and/or Mundra, for export and imports of our finished goods and raw materials. Due to this, our Company lead-time of exports from India ranges from 18 days to 45 days. This might make our Company less competitive as compared to other competitors who are geographically placed near to ports.

15. ***Failure to comply with export obligation may expose us to significant import duties and other penalties.***

Our company has been allowed to import our primary raw material i.e. HDPE/PP granules, duty free, under the advance licensing scheme of Government of India. The same raw material is used for manufacturing the finished goods, which are exported to different overseas customers. Under the customs law, we are obliged to make the exports within a specified period from the date of import of raw materials. If we fail to meet our exports obligations within the aforesaid period then we may be required to pay import duty along with interest for the delayed period. Further, we may also be subject to the penal provisions of Customs Act, 1962.

16. ***We are subject to risks arising from exchange rate fluctuations, which could adversely affect the financial results of our Company.***

Uncertainties in the global financial markets may have an adverse impact on the exchange rate between INR and other currencies. The exchange rate between INR and other currencies is variable and may continue to remain volatile in the future depending upon the foreign exchange reserve position of India. Fluctuations in the exchange rates may have a serious impact on the revenues from our export business as a significant portion of our revenue comes from exports. Any appreciation of the INR against other currencies may lead to reduction in the realization of our revenues. Accordingly, volatility in the exchange rate would adversely affect the financial results of our Company.

17. ***Our Company is subject to risks arising from interest rate fluctuations, which could adversely affect the financial results of our Company.***

As on July 31, 2017, our Company has outstanding long term borrowings of ₹ 972 Lakh as well as working capital borrowings of ₹ 6,954.33 Lakh from HDFC Bank Limited and State Bank of India. Any increase in the interest rates could significantly raise the costs of borrowing adversely affecting the financial results of our Company.

18. ***Our Company has availed unsecured deposits aggregating ₹212 Lakh, as of July 31, 2017, from our Directors, Promoters, their relatives and inter corporate deposits that is repayable on demand, which if recalled may have an adverse effect on our business, prospects, the result of our business operations and financial condition.***

As on August 31, 2017 our Company has availed unsecured deposits of ₹212 Lakh from our Directors, Promoters, their relatives and inter corporate deposits that are repayable on demand and which may be recalled at any time. In the event that such loans are recalled by the any of our Directors or other lenders, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all. Such a scenario may adversely affect our business, prospects, the result of our business operations and financial condition. For further details please refer the section titled "Financial Information" beginning on page 71 of this Draft Letter of Offer.

19. ***The indebtedness and the conditions and restrictions imposed by the financing arrangements entered into by our Company could adversely affect our business, prospects, results of operations and financial condition.***

Some of the financing agreements entered into by our Company with our lenders contain certain restrictive covenants and shall require the prior written approval from the relevant lenders for, among others, matters such as: (a) effect changes in our Company's shareholding structure; (b) diversification into non-core areas; (c) undertake guarantee obligations on behalf of any other company/person; (d) non-withdrawal of monies brought/to be brought in by principal shareholders/directors/depositors/friends or relatives of the directors without the bank's permission; (e) no major modification in the management's set up without bank's permission, (f) no permission to sell, assign, mortgage or otherwise dispose of any of the fixed asset without approval and (g) no payment of dividend if delay/default in principal or interest servicing for more than 30 days, among others.

There can be no assurance that our Company will be able to comply with the above covenants or other covenants contained in the financing agreements or that we will be able to obtain the consents necessary to take the actions that we believe are required to operate and grow the business of our Company. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our business, prospects, results of operations and financial condition.

20. *Our Company has created a charge on the immovable properties to secure the interest of the lenders.*

For the purpose of securing the Term Loan availed by our Company, an equitable mortgage over the land and building of our Company situated at the Existing Facilities situated at Unit 1 and Unit 2 as well as the land and Building located at the New Manufacturing Facility has been created, and a charge has been created over the future fixed assets of our Company.

In the event of any default in the repayment of the loans in accordance with the terms of the financing agreements or any non-compliance with or non-performance of any covenant of the financing agreements by our Company, the lenders may invoke the charge and may take interest in the said property in accordance with the financing agreements. In such an event, our Company may lose the interest in the said property, which may disrupt the existing business of our Company.

21. *Our Company has in the past made delayed repayment of disputed statutory and other dues and the same has been noted by our independent auditor in the report on our Company's audited financial statements for the FY 2016-17.*

Our Company has made delayed repayment of disputed statutory dues and our independent auditor has in the report on our Company's audited financial statements for the Financial Year ended March 31, 2017, listed the following findings in accordance with the Companies (Auditors' Report) Order, 2016, in relation to the same:

- Our Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax and other material statutory dues applicable to it. There were no arrears as at March 31, 2017, for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. following is the status of dues relating to income tax, sales tax and duty of excise:

Disputed liability in respect of	Dispute pending before	Financial Year	Amount involved (₹ in Lakh)
Central Excise	Joint Secretary, New Delhi	2012-13 and 2013-14	28.90
Central Excise	Commissioner Appeal, Kanpur	2009-10 to 2012-13	41.78*
Central Sales Tax	Appellate Tribunal Commercial Tax, Kanpur	2009-10	3.52
Income Tax	ITAT, Lucknow	2011-12	201.00
Income Tax	ACIT Central Circle, Kanpur	2011-12	200.00

* The case has been disposed vide order dated May 30, 2017 of the Office of the Commissioner (Appeals) Customs, Central Excise and Service Tax.

We cannot assure you that there will be no delays in repaying our statutory and other dues in the future. In the event of there being an unjustifiable delay, there may be consequential action undertaken by the relevant statutory authority and the same may have an adverse impact on our business and results of operations.

22. *If our Company's contingent liabilities materialise, the result or our business operations could be adversely affected.*

Our Company's contingent liabilities as of March 31, 2017 include:

Sr. No.	Nature of Liability	Amount as on March 31, 2017 (₹ in Lakh)
1.	Counter Guarantees given to Bank for issue of performance guarantees by Bank	777.85
2.	Foreign bills discounted by the bank under Letter of Credit	18.72
3.	Legal Undertakings submitted to DGFT under duty exemption Scheme for import of raw materials against which all exports have been completed and Advance Licenses are under redemption.	3,445.00
4.	Labour cases pending with Labour Courts / High Court	8.50
Total		4,250.07

If any of these contingent liabilities materialise, fully or partly, the financial condition of our Company could be adversely affected. For further details, please see “*Financial Statements*” beginning on page 71 of this Draft Letter of Offer.

23. *Our Company has witnessed negative cash flows in the last three financial years. Any negative cash flows in the future could adversely affect our business, prospects, results of operations and financial condition.*

We have experienced negative cash flows in the past. Our cash flows for the Financial Year ending March 31, 2017, 2016 and 2015 are summarised below:

Particulars	For the year ended on March 31,		
	2017	2016	2015
Net cash from / (used in) operating activities	713.60	2,407.66	3,469.97
Net cash from / (used in) investing activities	(1,313.05)	(640.47)	(923.12)
Net cash from / (used in) financing activities	588.12	(1,816.60)	(2,543.71)

If we experience any negative cash flow in the future, this could adversely affect results of operations and financial condition. For further details, please refer the section titled “*Financial Information*” beginning on page 71 of this Draft Letter of Offer.

24. *Our Company has entered into transactions with related party and may continue to do so in the future, which may potentially involve conflicts of interests with the Equity Shareholders.*

Our Company has entered into various transactions with related parties. Such related party transactions as a percentage of total revenue for the last three financial years are as under:

Period	Related Party Transactions	Total Revenue	Related Party Transactions (% of Revenue)
FY 2016-17	336.80	24,675.94	1.36%
FY 2015-16	344.34	24,980.09	1.38%
FY 2014-15	207.37	24,921.90	0.83%

While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, we may enter into related party transactions in the future. Such agreements may give rise to

conflicts of interest with respect to dealings between us and such related parties. For further details, please refer the section titled "*Financial Information*" beginning on page 71 of this Draft Letter of Offer.

- 25. *Our profitability and results of operations may be adversely affected in the event of increases in the price of raw materials, fuel costs, labour or other inputs, and our commitments to deliver our products to our clients / customers are dependent on adequate and timely supply of key raw materials.***

The cost of raw materials, labour and other inputs constitutes a significant part of our total expenses. Our manufacturing operations require various raw materials and packing material. Our actual expense may vary substantially from our assumptions / projections for several reasons, including unanticipated increases in the cost of raw materials, fuel, labour or other inputs, unforeseen distribution conditions, including the inability of our Company or the distributor to obtain requisite approvals, resulting in delays and increased costs and suppliers', distributors' or subcontractors' failure to perform. Such variance in expenses may affect our business, results of operations and financial condition.

- 26. *We do not currently have long term contracts or exclusive supply arrangements with any of our vendors, and any major disruption to the timely and adequate supplies of our raw materials or any deterioration in the quality of raw materials could adversely affect our business operations and financial condition may be adversely affected.***

While we are not significantly dependent on any single supplier, we do not currently have long term contracts or exclusive supply arrangements with any of our vendors. We are therefore dependent on adequate and timely deliveries by our suppliers of necessary raw materials as per satisfactory levels of quality. In the event of delay, inadequacy, default in deliveries by any of our vendors or deterioration in the quality of raw materials, we may not be able to obtain substitutes on an adequate and timely basis or on commercially acceptable terms. Furthermore, it is possible that some of our existing suppliers may choose to discontinue operations, or offer more viable terms or enter into exclusive arrangements with our competitors. A major disruption to the timely and adequate supplies of our raw materials or deterioration in the quality of raw materials could adversely affect our business, results of operations and financial condition.

- 27. *We are heavily dependent on machinery for our operations. We have not entered into technical support service agreements for the maintenance and smooth functioning of our machineries. Any break-down of our machinery will have a significant impact on our business, prospects, results of operations and financial condition.***

Our Existing Facilities are heavily dependent on plant and machinery. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. While our company has entered into technical support service agreements for a few of our machineries, we do not have the same for others, which are repaired / serviced in-house. Although our Company has accessibility to avail the technical support from the external experts and the machinery suppliers locally, any failure to quickly redress any technical issue, may increase our downtime which may affect our business, prospects, results of operations and financial condition. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to repair the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our business, results of operations and financial condition.

- 28. *Our business is significantly dependent on our Existing Facilities. Change in the factory premises may result into temporary disruptions in production of our products and may result into the loss or shutdown of operations.***

We propose to consolidate certain operations, which is a necessity to ensure operational efficiency. We propose to set up a New Manufacturing Facility in order to congregate all the Existing Facilities of our Company. This New Manufacturing Facility will be instrumental in expansion of the existing capacities and consolidation of certain operations. Our ability to complete our New Manufacturing Facility is subject to a number of risks and unforeseen events, including, without limitation, the following:

- Any defect or irregularities in the title of land may result in the loss of title of land and cancellation of our development plans;
- Damage caused to the machines while shifting from the existing manufacturing sites to the New Manufacturing Facility

Apart from the above factors, there may be some other additional factors which we may not be able to successfully mitigate, but may result into our New Manufacturing Facility being inoperative and cause consequent delay in production, which in turn would have an adverse effect on our business and results of operations.

29. *Any delay in production at, or shutdown of our Existing Facilities could adversely affect our business, prospects, results of operations and financial condition.*

Our Company's Existing Facilities are situated in Kanpur over 5 different locations. Additionally, we propose to set up a New Manufacturing Facility, consolidating our current manufacturing facilities, to be located in Kanpur Dehat. If our Company experiences delays in production or shutdown at such facilities due to any reason, including natural disasters, disruptions caused by disputes with our workforce or due to our employees forming a trade union, or due to any natural disaster, our Company's operations will be significantly affected, which in turn would have a material effect on our business, prospects, results of operations and financial condition.

30. *Our Company may be subject to industrial unrest, slowdowns and increased labour costs.*

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers during employment and upon retrenchment. Under Indian law, workers also have a right to establish trade unions. Although we currently have no labour unions, we cannot assure you that there will be no labour unions formed in the future.

As at March 31, 2017, our Company had approximately 845 full-time employees. While our Company believes that it maintains good relationships with the employees and contractors, there can be no assurance that we will not experience disruptions to our operations in the future due to disputes or issues with our contractors or employees. In the event that there are labour unions formed and conflicts with the same, or if our Company experiences unrest or slowdowns, it may become difficult for our Company to maintain flexible labour policies, all of which may materially and adversely impact our business, prospects, results of operations and financial condition.

31. *Our operations are subject to environmental, workers' health and safety and employee laws and regulations.*

Our operations are subject to environmental laws and regulations relating to environmental protection in India, such as the Water Act, Air Act and the Environment Act, as well as internationally. The discharge or emission of chemicals, plastic wastage, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the Government and third parties, and may result in our incurring costs to remedy any such discharge or emissions. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production or otherwise have a material adverse effect on our business, prospects, results of operations and financial condition. Environmental laws and regulations in India have become increasingly stringent, and it is possible that they will become significantly more stringent in the future. If our facility or our operation is shut down, we may continue to incur costs in complying with regulations, appealing any decision to close our facilities, maintaining production at our Existing Facilities and continuing to pay labour and other costs which may continue even if the facility is closed. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations may impose new liabilities on us or result in the need for additional compliance requirements and additional investment in environmental protection equipment, either of which could adversely affect our business, prospects, results of operations and financial condition.

We are also subject to laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees, work permits and health and safety. In some of the territories in which we operate, environmental and workers' compensation liability may be assigned to us as a matter of law.

If we are unable to comply with various regulatory requirements, it may have a material adverse effect on our business, prospects, results of operations and financial condition.

32. *Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.*

Our operations are subject to various risks which may adversely affect revenue generation and profitability. While

we believe that we have taken adequate safeguards to protect our assets from various risks inherent in our business, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

We maintain insurance including cover for building-superstructure, plant, machinery and accessories, furniture, fittings, fixtures and other contents, boundary wall, stock & stock-in-process under standard fire & special perils policies. While we believe that we maintain sufficient insurance cover, certain types of losses may be either uninsurable or not economically viable to insure, such as losses due to acts of terrorism or war. Should an uninsured loss occur, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or the insurance purchased by us may be insufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance or for which we are unable to successfully claim insurance or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, prospects, results of operations and financial condition. Further, an insurance claim once made could lead to an increase in our insurance premium.

33. *If we fail to keep pace with advancements in technology in the packaging industry or respond to changes in market demand or client requirements, our business and financial condition could be adversely affected.*

The packaging industry is characterized by frequent advancements in technology. To meet our clients' needs as well as keep pace with our competitors, we regularly update existing technology and acquire or develop new technology for our manufacturing activities. In addition, rapid and frequent advancements in technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. Our failure to anticipate or to respond adequately to advancements in technology, changes in market demand or client requirements could adversely affect our business and financial condition.

34. *If our Company is unable to respond effectively to competition, our business and financial condition may be adversely affected. We operate in a competitive business environment, both globally and domestically. If our Company is unable to respond effectively to competition, our business, prospects, results of operations and financial condition may be adversely affected.*

We operate in a competitive business environment. The packaging industry is constantly evolving, primarily due to factors such as but not limited to technological advances, regulations of both Governments and bilateral treaties and arrangements and consolidation of resources by industry players. Growing competition may subject us to pricing pressures and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. Further, several of our competitors are larger international and national companies and have access to greater resources, wider geographical reach, broader product ranges or may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us, due to our current scale of operations. Further, they may succeed in developing products that are more effective, more popular or cheaper than our products. Any of these factors may have a material adverse effect on our business, prospects, results of operations and financial condition.

35. *We may not be able to correctly assess the demand for our products, which may adversely affect our business, prospects, results of operations and financial condition.*

Our production and distribution processes require us to anticipate the demand for our products based on the feedback received from our own marketing personnel as well as our distributors. An accurate assessment of market demand requires significant investment in the creation of a sales and marketing network and training of marketing personnel. There is no guarantee that our estimate of market demand in India or in foreign countries will be accurate. In the event that we overestimate the demand for our products, we will have expended resources in manufacturing excess products, taxes on manufacture, export costs, insurance costs, distribution expenses, storage and warehousing and other allied expenditures. In the event that we underestimate the market demand, we will have lost out on sales opportunities that our competitors will capitalise on and thereby increase their respective market shares. Any incorrect assessment of the demand for our products may adversely affect our business, prospects, results of operations and financial condition.

36. *We are susceptible to volatility of prices of our products, including due to competitive products.*

Prices of our products are subject to fluctuation, depending on, among other factors, the number of producers and their production volumes and changes in demand in the markets we serve. Volatility in price realization and loss of customers may adversely affect our profitability. Further, there is no assurance that we will be able to maintain our low cost of operations or to further reduce costs or develop new cost effective processes in the future.

37. *We may not be able to sustain effective implementation of our business and growth strategies, including our New Manufacturing Facility and the financing of such expansion, which may adversely affect our business, prospects, results of operations and financial condition.*

Our plan for setting up a New Facility as referred to in the chapter titled “Objects of the Issue” beginning on page 46 of this Draft Letter of Offer, contains estimated costs and implementation schedules. Our plans are subject to a number of contingencies, including changes in laws and regulations, Government action, delays in obtaining approvals, delay in obtaining machinery and other supplies at quoted or at acceptable terms, accidents, natural calamities, terrorist activity and other factors, many of which may be beyond our control. We, therefore, cannot assure you that the costs incurred or time taken for implementation of these plans will not vary from our estimated parameters, which may in turn adversely impact our business and growth strategies, including our New Manufacturing Facility.

38. *We rely extensively on our systems, including quality assurance systems, products processing systems and information technology systems, the failure of which could adversely affect our business, prospects, results of operations and financial condition.*

We depend extensively on the capacity and reliability of the quality assurance systems, product processing systems and information technology systems to support our operations. Our systems are subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. There can be no assurance that we will not encounter disruptions in the future. Any disruption in the use of, or damage to, our systems may adversely affect our business, prospects, results of operations and financial condition.

39. *We are heavily reliant on our Key Management Personnel and persons with technical expertise. Failure to retain or replace them will adversely affect our business, prospects, results of operations and financial condition.*

In order to successfully manage and expand our business, we are dependent on the services of our Key Management Personnel, and our ability to attract, train, motivate and retain skilled employees, including operational heads and other professionals. In addition, our company requires personnel with requisite operational expertise. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Management Personnel and persons with requisite operational expertise, our operations and our ability to expand our business may be impaired. Further, we may be unable to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy existing resources successfully. Failure to hire or retain Key Management Personnel, professionals and skilled employees, having requisite experience, could adversely affect our business, prospects, results of operations and financial condition.

40. *Our Company’s ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.*

The amount of future dividend payments, if any, will depend upon our Company’s future earnings, financial condition, cash flows, working capital requirements, the terms and conditions of our Company’s indebtedness and capital expenditures. Any declaration and payment as well as the amount of dividend will also be subject to the constitutional and contractual documents including our Company’s financing documents and applicable laws and regulations in India, including, in case of any final dividend, the approval of shareholders. There can be no assurance that our Company will be able to pay dividends in the future.

41. *Under-utilisation of our proposed expansion may adversely impact our financial performance.*

Our proposed expansion is based on our estimates of market demand and profitability. In the event of non-materialisation of our estimates and expected order flow for our products, due to factors including adverse economic

scenario, change in demand or change in technology or non-acceptability of the product in the market for any other reason, our capacities may not be fully utilised thereby adversely impacting our financial performance.

- 42. *The completion of our proposed expansion is dependent on performance of various external agencies and any shortfall in the performance of these external agencies may adversely affect our expansion plans.***

The completion of our proposed expansion is dependent on performance of various external agencies, which are responsible for installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns, which in turn may adversely affect our expansion plans.

- 43. *We have not yet placed orders for certain plant and machinery as well as certain utilities and electricity required by us for the ‘Objects of the Issue’. Any delay in placing the orders / or supply of plant and machinery may result in time and cost overruns, and may affect our profitability.***

Our Company proposes to acquire plant and machinery aggregating ₹ 2,981.74 Lakh as well as utilities and electricity aggregating ₹ 1,867.15 Lakh for our New Manufacturing Facility. Our Company has not yet placed orders for plant and machinery aggregating ₹ 2,883.17 Lakh as well as utilities and electricity aggregating ₹ 1,782.40 Lakh proposed to be acquired for our proposed New Manufacturing Facility. Our Company is further subject to risks on account of inflation in the price of plant and machinery.

Our Company has received quotations for plant and machinery as well as utilities and electricity, and the negotiations with the vendors have commenced. The details of quotations received appear under the section titled “Objects of the Issue” beginning on page 46 of this Draft Letter of Offer. The purchase of plant and machinery as well as utilities and electricity would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may also be a possibility of delay at the suppliers’ end in providing timely delivery of these machineries, which in turn may delay or adversely impact the implementation of our New Manufacturing Facility.

- 44. *We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.***

The source of funds for our New Manufacturing Facility is from the Issue, Term Loan and Identified Internal Accruals. As of now, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from the Issue or any shortfall in the Issue Proceeds may delay the implementation schedule of our New Manufacturing Facility and could adversely affect our growth plans. For further details please refer the chapter titled “Objects of the Issue” beginning on page 46 of this Draft Letter of Offer.

- 45. *We need to generate sufficient cash accruals to part finance our New Manufacturing Facility.***

The source of funds for our New Manufacturing Facility includes Identified Internal Accruals. Though we have been able to deploy Identified Internal Accruals till date, we may not be able to generate sufficient cash accruals to further deploy such Identified Internal Accruals.

The total funds required for the New Manufacturing Facility is ₹ 9,464.40 Lakh. 75% of the stated means of finance, excluding funds to be raised through the Issue have been arranged. For further details please refer the chapter titled “Objects of the Issue” beginning on page 46 of this Draft Letter of Offer.

- 46. *The completion of our proposed expansion is dependent on timely disbursements of funds from our lenders and any delay may adversely affect our expansion plan.***

Our Company has entered into agreements with HDFC Bank Limited and State Bank of India for long term borrowings. The funds may not be disbursed timely as per disbursement schedule, or at all. Any delay in timely disbursements of funds may result in incremental cost and delay in implementing the proposed expansion.

47. ***Delay in raising funds from the Issue could adversely impact the implementation schedule which may adversely affect our cash flow position, our business, prospects, results of operations and financial condition.***

The source of funds for our New Manufacturing Facility is from this Issue, Term Loan and Identified Internal Accruals. Any failure or any delay on our Company's part to mobilize the required resources through this Issue or any shortfall in the Issue proceeds may delay the implementation schedule. Our Company therefore, cannot assure that it would be able to execute the proposed plans within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our cash flow position, our business, prospects, results of operations and financial condition. For details on schedule of implementation and use of proceeds please refer the chapter titled "*Objects of the Issue*" beginning on page 46 of this Draft Letter of Offer.

48. ***The Objects of this Issue are based on the internal estimates of our management, and have not been appraised by any bank or financial institution. The deployment of funds in the New Manufacturing Facility is entirely at our discretion and the same will not be monitored by any external agency.***

Our funding requirements, the funding plans and the deployment of the proceeds of the Issue are based on our management estimates and have not been appraised by any bank or financial institution. The deployment of funds for the Objects of the Issue is entirely at our own discretion and the same will not be monitored by any external agency. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. The estimates contained in this Draft Letter of Offer may exceed the value that would have been determined by third party appraisals, which may require us to reschedule the deployment of funds proposed by us and may have a bearing on our expected revenues and earnings.

49. ***The deployment of the Issue Proceeds is entirely at the discretion of our Company and is not subject to any monitoring by any independent agency.***

The SEBI ICDR Regulations stipulates the appointment of monitoring agency only where the issue size is in excess of ₹ 10,000 Lakh. Since the Issue is for less than ₹ 10,000 Lakh, we will not be appointing a monitoring agency and the deployment of Issue Proceeds as stated in the chapter titled "*Objects of the Issue*" beginning on page 46 of this Draft Letter of Offer will not be monitored by an independent agency.

EXTERNAL RISK FACTORS

50. ***Significant differences exist between the accounting principles of existing / erstwhile Indian GAAP as compared to Ind AS and IFRS, which investors may consider material to their assessment of our Company's financial condition.***

The MCA, pursuant to a notification dated February 16, 2015, has issued the Companies (Indian Accounting Standards) Rules, 2015 which lay down a roadmap for companies other than insurance companies, banking companies and non-banking finance companies for the implementation of Ind AS converged with IFRS.

As per the above mentioned notification, companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than ₹ 50,000 Lakh, shall comply with Ind AS for the accounting periods beginning on or after April 1, 2017, with the comparatives for the periods ending on March 31, 2017. Accordingly, our Company is mandatorily required to comply with Ind AS for the accounting periods beginning on or after April 1, 2017, with the comparatives for the periods ending on March 31, 2017.

Ind AS has fundamental differences with IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. In this Draft Letter of Offer, we have not made any attempt to quantify the impact of the differences between Ind AS, IFRS and Indian GAAP as applied to our historical financial statements and our Company cannot assure the Investors that results of operations, financial condition, cash flow or changes in shareholders' equity will not appear materially different under Ind AS from that under Indian GAAP or IFRS and that if the Ind AS were to be applied to our historical financial statements prepared under Indian GAAP, there will not material difference in the applicable accounting policies and standards that will require material adjustments to our historical financial statements prepared under Indian GAAP.

Our Company has adopted Ind AS for the preparation of the unaudited limited reviewed financial results for the quarter ended June 30, 2017. Our Company may encounter further difficulties in this proposed transition to the Ind

AS from Indian GAAP and in enhancing our management information systems for the same. There can be no assurance that the adoption of Ind AS will not adversely affect our Company's reported financial condition or results of operations.

51. *Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.*

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

52. *There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchange in a timely manner or at all and any trading closures at the Stock Exchange may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver this Draft Letter of Offer and Letter of Offer to SEBI and the Stock Exchange under the applicable provisions of the Companies Act and the ICDR Regulations. The trading approval shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval would restrict investors' ability to dispose off their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchange could adversely affect the trading price of the Equity Shares.

53. *The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.*

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and,
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

54. *Political instability or changes in the Government or Government policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.*

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

- 55. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect our business, prospects, results of operations and financial condition.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade as well as the worldwide financial markets. The Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries which may persist and occur in the future. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

- 56. *The occurrence of natural disasters may adversely affect our business, prospects, results of operations and financial condition.***

The occurrence of natural disasters, including, but not limited to hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our business, prospects, results of operations and financial condition. The potential impact of a natural disaster on the Indian economy and our business, prospects, results of operations and financial condition is speculative, and would depend on numerous factors. We cannot assure you that such events will not occur in the future or that our business, prospects, results of operations and financial condition will not be adversely affected by the same.

- 57. *General economic conditions in India and globally could adversely affect our business, prospects, results of operations and financial condition.***

Our business, prospects, results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, prospects, results of operations and financial condition. Our Company mainly derives revenue from operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our Company's employee costs and decrease our operating margins, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our Company's business. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards the industry in which our Company operates, which may in turn, adversely affect our financial performance and ability to implement our business strategy. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, prospects, results of operations and financial condition as well as the market price of the Equity Shares.

- 58. *Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by any domestic or international rating agencies may affect the interest rates and other commercial terms at which financing facilities are available and adversely impact our ability to raise additional financing. This could have an adverse effect on our business, prospects, results of operations and financial condition as well as our ability to obtain financing for further capital expenditures.

PROMINENT NOTES

1. Issue of [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●] per Rights Equity Share [including a share premium of ₹ [●] per Rights Equity Share] aggregating to an amount not exceeding ₹ 2,000 Lakh to the Eligible Equity Shareholders on a rights basis in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by them on the Record Date.
2. As on March 31, 2017, the Net Worth of our Company is ₹ 8,182.01 Lakh as described in the section titled “*Financial Information*” beginning on page 71 of this Draft Letter of Offer.
3. For details of our transactions with the related parties during FY 2016-17, the nature of such transactions and the cumulative value of such transactions, please refer the section titled “*Financial Information*” beginning on page 71 of this Draft Letter of Offer.
4. There has been no financing arrangement whereby our Promoters and Promoter Group or our Directors have financed the purchase by any other person of our securities other than in the normal course of business of the financing entity during the period of 6 (six) months immediately preceding the date of filing of this Draft Letter of Offer with SEBI.

Investors may contact the Lead Manager for any complaint, clarifications and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the Lead Manager to the public and investors at large and no selective or additional information would be made available only to a section of the Investors in any manner. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, application number, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Bid-cum-Application Form has been submitted by the ASBA Bidder. For contact details please refer the chapter titled “*General Information*” beginning on page 35 of this Draft Letter of Offer.

SECTION III– INTRODUCTION

SUMMARY OF THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “*Terms of the Issue*” beginning on page 122 of this Draft Letter of Offer:

This issue of Rights Equity Shares is being made by us as set forth below:

Rights Equity Shares to be Issued	[●] Equity Shares
Rights Entitlement for Equity Shares	[●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date.
Record Date	[●]
Face value per Equity Share	₹ 10 each
Issue Price per Equity Share	₹ [●] per Rights Equity Share
Issue Size	Not Exceeding ₹ 2,000 Lakh
Equity Shares outstanding prior to the Issue	1,19,38,871 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●] Equity Shares
Script Code	ISIN: INE694E01014 BSE: 507779
Money Payable at the time of Application	[●]
Balance Money Payable at the time of First and Final Call	[●]
Terms of the Issue	For more information, please refer the chapter titled “ <i>Terms of the Issue</i> ” beginning on page 122 of this Draft Letter of Offer.
Use of Issue Proceeds	For more information, please refer the chapter titled “ <i>Objects of the Issue</i> ” on page 46 of this Draft Letter of Offer.
First and Final Call Payment Period	A period as may be fixed by the Board to enable the payment of the First and Final Call by the holders of partly paid-up Rights Equity Shares.

Terms of Payment:

Amount payable per Rights Equity Share*	Face Value (₹)	Premium (₹)	Total (₹)
On Application	5.00	[●]	[●]
On First and Final Call	5.00	[●]	[●]
Total	10.00	[●]	[●]

*For details, please refer the chapter titled “*Terms of the Issue*” beginning on page 122 of this Draft Letter of Offer.

SUMMARY OF FINANCIAL STATEMENTS

The following tables set forth the summary of financial information derived from our Audited Financial Statements as on March 31, 2017, prepared in accordance with Companies Act, the Indian GAAP, applicable standards and guidance notes specified by the ICAI, applicable accounting standards and other applicable statutory and / or regulatory requirements. Our summary financial information presented below, is in ₹ Lakh and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the chapter titled “Financial Statements” beginning on page 71 of this Draft Letter of Offer.

Balance Sheet as at March 31, 2017:

(₹ in Lakh)		
Particulars	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	1,393.88	995.92
Reserves and Surplus	6,788.13	6,061.61
	8,182.01	7,057.53
Non-current Liabilities		
Long-Term Borrowings	1,254.16	1,496.33
Deferred Tax Liabilities (Net)	820.26	740.91
Long-Term Provisions	469.23	437.80
	2,543.65	2,675.04
Current Liabilities		
Short-Term Borrowings	6,073.87	4,334.83
Trade Payables	482.84	598.69
Other Current Liabilities	1,351.04	1,123.85
Short-Term Provision	1,291.75	1,519.13
	9,199.50	7,576.50
Total	19,925.16	17,309.07
ASSETS		
Non-current Assets		
Fixed Assets	7,320.33	6,961.80
Non-current investment	6.09	6.36
Long-term Loans and Advances	530.18	399.75
Other Non-current Assets	40.35	55.93
	7,896.95	7,423.84
Current Assets		
Current Investments	607.62	-
Inventories	3,986.07	2,903.09
Trade Receivables	5,202.93	4,449.05
Cash and Cash Equivalents	94.47	105.80
Short-term Loans and Advances	2,137.12	2,426.99
	12,028.21	9,885.23
Total	19,925.16	17,309.07

Statement of Profit and Loss for the year ended March 31, 2017:

(₹ in Lakh)		
Particulars	As at March 31, 2017	As at March 31, 2016
INCOME		
Revenue from Operations	24,551.40	24,861.18
Other Income	124.54	118.91
Total Revenue	24,675.94	24,980.09
EXPENSES		
Materials Consumed	13,393.55	13,556.84
Purchase of Stock-in-Trade	72.52	10.91
Changes in Inventories (Increase)/Decrease in stock	(458.57)	315.91
Employee Benefit Expense	2,188.57	1,580.01
Depreciation and Amortization of Assets	418.86	411.36
Finance Costs	649.93	765.61
Other Expenses	6,131.65	5,763.33
Total Expenses	22,396.51	22,386.66
Profit / (Loss) Before Exceptional and Extraordinary Items and Tax	2,279.43	2,576.13
Exceptional items	-	-
Profit / (Loss) Before Extraordinary Items and Tax	2,279.43	2,576.13
Extraordinary Items	-	-
Profit / (Loss) Before Tax	2,279.43	2,576.13
Tax Expenses:		
(a) Current Tax	773.00	785.00
(b) Deferred Tax Income (Net)	79.35	145.54
	852.35	930.54
PROFIT / (LOSS) FOR THE YEAR AFTER TAX	1,427.08	1,645.59
Earning per equity Share (in ₹)	11.71	20.31*

*Considering equity shares outstanding as on March 31, 2016 i.e. 79.59 Lakh shares.

Cash Flow Statement for the year ended 31st March, 2017

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax and extraordinary items	2,279.43	2,576.12
Adjustments for:		
Depreciation Expense	418.86	411.36
(Profit)/Loss on Sale of Fixed Assets	39.91	17.31
Interest Paid	(112.13)	(114.71)
Finance Cost	649.93	765.61
Operating Profit before Working Capital changes	3,276.00	3,655.69
Adjustments for:		
Trade and Other Receivables	(578.86)	(914.97)
Inventories	(1,082.68)	363.05
Trade Payables, Other Liabilities & Provisions	(112.81)	102.58
Cash Generated from operation	1,501.65	3,206.36
Income Tax (excl. Deferred Tax)	(788.05)	(798.70)
Cash Flow before extraordinary items	713.60	2,407.66
Extraordinary Items	-	-
Net cash from Operating Activities (A)	713.60	2,407.66
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(842.94)	(867.48)
Sale/Adjustment of Fixed Assets	65.56	130.15
Acquisition of Companies	-	-
Purchase of Investments	(607.62)	-
Sale Adjustment of Investments	(0.27)	(0.54)
Interest Received	112.13	114.71
Dividend Received	-	-
Profit / (Loss) on Sale of Fixed Assets	(39.91)	(17.31)
Net Cash used in Investing activities (B)	(1,313.05)	(640.47)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share Capital (Bonus shares or Right Issue)	-	-
Decrease in General Reserve	-	-
Utilisation for issue of Equity Shares	-	-
Translation Difference Account	-	8.91
Proceeds from Long Term Borrowings		
(a) Secured (Bank / Institutions)		
– For Working Capital	1,739.04	(287.74)
– For Fixed Assets	(242.17)	(484.91)
(b) Unsecured	-	-
Finance Cost	(649.93)	(765.61)
Dividend Paid / Proposed (incl. Dividend Tax)	(258.82)	(287.25)
Net Cash used in Financing Activities (C)	588.12	(1,816.60)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(11.33)	(49.41)
Cash and Cash Equivalents as at 31.03.2016 (Opening Balance)	105.80	155.21
Cash and Cash Equivalents as at 31.03.2017 (Closing Balance)	94.47	105.80

GENERAL INFORMATION

Our Company was originally incorporated as 'Kanpur Plastipack Private Limited', a private limited company under the provisions of the Companies Act, 1956 pursuant to the grant of Certificate of Incorporation dated July 26, 1971 by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, our Company was converted into public limited company and a fresh Certificate of Incorporation in the name of 'Kanpur Plastipack Limited' was issued by the Registrar of Companies, Uttar Pradesh, Kanpur on December 9, 1985. CIN of our Company is L25209UP1971PLC003444.

Registered Office of our Company

Kanpur Plastipack Limited

D 19-20, Panki Industrial Area, P. O. Udyog Nagar, Kanpur,
Uttar Pradesh, India – 208022

Telephone Number: +91-512-2691113/14/15/16

Facsimile Number: +91-512-2691117

Email: secretary@kanplas.com

Website: www.kanplas.com

Address of the ROC

Our Company is registered with the ROC, which is situated at the following address:

Registrar of Companies

37/17, Westcott Building, The Mall, Kanpur-208001
Uttar Pradesh, India.

Company Secretary and Compliance Officer

Mr. Ankur Srivastava,

Kanpur Plastipack Limited

D 19-20, Panki Industrial Area, P. O. Udyog Nagar, Kanpur,
Uttar Pradesh, India – 208022

Telephone: +91 512 2691113/14/15/16

Facsimile: +91 512 2691117

Email: secretary@kanplas.com

Website: www.kanplas.com

Investors may contact the Compliance Officer or the Registrar to the Issue for any pre-issue /post-issue related matters such as non-receipt of letters of allotment/ share certificates/ refund orders, credit of shares etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors.

Lead Manager to the Issue

Vivro Financial Services Private Limited

607-608 Marathon Icon, Veer Santaji Lane, Opposite Peninsula Corporate Park,
Off Ganpatrao Kadam Marg, Lower Parel, Mumbai, Maharashtra, India – 400013

Telephone Number: +91-22-66668040;

Facsimile Number: +91-22-66668047

Website: www.vivro.net **Email:** kanplas@vivro.net

Investor Grievance Email: investors@vivro.net

Contact Person: Mr. Anish Akruwala / Mr. Harish Patel

SEBI Registration Number: INM000010122

CIN: U67120GJ1996PTC029182

Registrar to the Issue

Skyline Financial Services Private Limited

D-153/A, First Floor, Okhla Industrial Area, Phase I,
New Delhi, India - 110020.

Telephone Number: + 91-11-26812683 **Facsimile Number:** +91-11-26292681

Website: www.skylinerta.com **Email:** viren@skylinerta.com

Investor Grievance Email: grievances@skylinerta.com

Contact Person: Mr. Virender Rana

SEBI Registration Number: INRO00003241

CIN: U74899DL1995PTC071324

Legal Advisor to the Issue

Wadia Ghandy & Company (Ahmedabad)

Advocates & Solicitors

1st Floor, Chandan House,

Near Mayor's Bungalow,

Law Garden, Ahmedabad Gujarat, India – 380006,

Telephone Number: +91 79 26564700 / 26564800

Facsimile Number: +91 79 26564300

E-mail: tanvish.bhatt@wadiaghandy.com

Contact Person: Mr. Tanvish Bhatt

Statutory Auditor of our Company

Pandey & Company,

Chartered Accountants,

24/24, Karachi Khana, Kanpur-208001

Telephone: +91-512-2312753 / +91-512-2372914

Facsimile: +91-512-2532162

Email: pandeycompany@gmail.com

Contact Person: Mr. Amit Pandey

Membership Number: 402377

Firm Registration Number: 000357C

Peer Review Board Certificate Number: 009406

Bankers to our Company

State Bank of India

Overseas Branch (5346), 15/54-8, Civil Lines,

Virendra Smriti Complex, Civil Court Road,

Kanpur Uttar Pradesh, India - 208 001,

Telephone Number: +91 0512 2303697

Facsimile Number: +91 0512 2303697

Email: amt1.05346@sbi.co.in ; Samir.bhatnagar@sbi.co.in

Contact Person: Mr. Samir Bhatnagar, Chief Manager & Relationship Manager (AMT-1)

HDFC Bank Limited

Krishna Tower, 15/63, Civil Lines,

Kanpur Uttar Pradesh, India - 208 001,

Telephone Number: +91 0512 2305151

Facsimile Number: NA

Email: sachink.mehra@hdfcbank.com

Contact Person: Sachin K. Mehra

Bankers to the Issue and Refund Bank

The Bankers to the Issue and Refund Bank will be appointed prior to filing of Letter of Offer with the Stock Exchange.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	[●]
Last Date for request for Split Application Forms	[●]
Issue Closing Date	[●]

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not be kept open in excess of 30 (thirty) days from the Issue Opening Date.

Statement of responsibilities of the Lead Manager to the Issue

Vivro Financial Services Private Limited is the Lead Manager to the Issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them. The various activities have been set forth below:

Sr. No.	Activities
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due Diligence of the Company, drafting and design of the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the CAF and of the advertisement or publicity material including newspaper advertisements and brochure / memorandum containing salient features of the offer document.
3.	Selection of various agencies connected with the issue, namely Registrars to the Issue, Bankers to the Issue, printers, advertising agencies, etc. as may be applicable.
4.	Drafting and approval of all publicity material including statutory advertisements, corporate advertisements, brochures, corporate films, etc.
5.	Liaising with the Stock Exchange and SEBI for pre-Issue activities, including for obtaining in-principle listing approval and completion of prescribed formalities with the Stock Exchange and SEBI.
6.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrars to the Issue, Bankers to the Issue, Self-Certified Syndicate Banks, etc.

Experts Opinion

Our Company has received consent from the Statutory Auditors, Pandey & Company, Chartered Accountants to include their name as an “expert” under Section 2(38) read with Section 26 of the Companies Act in this Draft Letter of Offer in relation to (i) audit report dated May 29, 2017 on the audited financial statements of our Company for FY 16-17 provided under the chapter titled “*Financial Statements*” beginning on page 71 of this Draft Letter of Offer; and (ii) the Statement of Tax Benefits dated August 24, 2017 beginning on page 56 of this Draft Letter of Offer. Further, this consent has not been withdrawn as of the date of this Draft Letter of Offer.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act, 2013.

Credit rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Book Building Process

As the Issue is a Rights Issue, the Issue will not be made through the book building process.

Monitoring Agency

In terms of Regulation 16(1) of the ICDR Regulations an issuer is required to appoint a monitoring agency if the issue size is in excess of ₹ 10,000 Lakh. Since the size of present issue is less than ₹ 10,000 Lakh, our Company is not required to appoint a monitoring agency. Our Board and the Audit Committee of our Board will monitor the use of proceeds of this Issue in accordance with applicable law.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilised have been appraised by any bank or financial institution.

Issue Grading

As the Issue is a Rights Issue, grading of the Issue is not required.

Principal Terms of Loans and Assets charged as Security

For the principal terms of loans and assets charged as security of our Company, please refer the chapter titled "*Financial Statements*" beginning on page 71 of this Draft Letter of Offer.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Letter of Offer is set forth below:

(₹ in Lakh, except the shares data)		
	Aggregate value at face value	Aggregate value at Issue Price
A. AUTHORIZED SHARE CAPITAL		
2,00,00,000 Equity Shares of ₹10 each	2,000.00	-
20,00,000 Preference Shares of ₹10 each ⁽¹⁾	200.00	-
TOTAL	2,200.00	-
B. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
1,19,38,871 Equity Shares of ₹ 10 each	1,193.89	-
20,00,000 Preference Shares of ₹ 10 each	200.00	-
TOTAL	13,93.89	-
C. PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS DRAFT LETTER OF OFFER⁽²⁾		
[●] Equity Shares at an Issue Price of ₹ [●] per Equity Share	[●]	[●]
D. ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE		
[●] ⁽³⁾ Equity Shares at face value of ₹ [●] per Equity Share	[●]	-
20,00,000 Preference Shares of ₹10 each	200.00	-
TOTAL	[●]	-
E. SECURITIES PREMIUM ACCOUNT		
Before the Issue	-	-
After the Issue	[●]	-

⁽¹⁾ Redemption of 20,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each at par according to their terms of issuance has been approved by a resolution of our Board passed at its meeting held on September 15, 2017.

⁽²⁾ The Issue has been authorised by a resolution of our Board passed at its meeting held on May 29, 2017, pursuant to Section 62 of the Companies Act, 2013.

⁽³⁾ Assuming full subscription for and allotment of the Rights Entitlement.

Notes to the Capital Structure:

- Our Company does not have any employee stock option scheme or employee stock purchase scheme.
- Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.
- None of the Equity Shares held by our Promoters and Promoter Group are pledged with any banks or institutions, locked-in or otherwise encumbered.
- No Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of this Draft Letter of Offer with the Designated Stock Exchange except for the following:
 - Allotment of 27,53,543 Equity Shares pursuant to Bonus Issue as on September 27, 2016; and
 - Acquisition of 1,285 Equity Shares by KPL Packaging Private Limited on June 13, 2017 and became part of the Promoter and Promoter Group.

5. **Subscription to the Issue by the Promoters and Promoter Group:**

The following Promoters and the Promoter Group of our Company through their letters dated September 2, 2017 (the "Subscription Letters") have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

1. Mr. Mahesh Swarup Agarwal
2. Mr. Manoj Agarwal
3. Mr. Shashank Agarwal
4. Ms. Usha Agarwal
5. Ms. Alka Jain
6. Mahesh Swarup Agarwal HUF
7. Manoj Agarwal HUF
8. Ms. Jayatika Goyal
9. Ms. Kanika Mahadevwala
10. Ms. Manjari Agarwal
11. MSA Investment and Trading Company Private Limited
12. KSM Exports Limited
13. KPL Packaging Private Limited

Further, the Promoters and Promoter Group may also apply for Additional Rights Equity Shares along with their Rights Entitlement and / or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of Additional Rights Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Regulations. The members of the Promoters and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the Regulation 38 of the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "*Objects of the Issue*" beginning on page 46 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares, even if, as a result of any allotment in the Issue to our Promoters and / or the members of our Promoter Group, the shareholding of our Promoters and/or Promoter Group in our Company exceeds their current shareholding.

6. The present Issue being a rights issue, as per regulation 34(c) of the ICDR Regulations, the requirements of promoters' contribution and lock-in are not applicable.
7. All the Equity Shares are fully paid-up as on the date of this Draft Letter of Offer, there are no partly paid up Equity Shares. Further the Rights Equity Shares offered through this Issue shall be made fully paid up or may be forfeited for non-payment of calls within 12 (twelve) months from the date of allotment of Rights Equity Shares.
8. The ex-rights price arrived in accordance with Clause 4(b) of Regulation 10 of the SEBI Takeover Regulations, in connection with the Issue is ₹ [●].

Notes to the Capital Structure:

9. Shareholding Pattern of our Company

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchanges

(i) The shareholding pattern of the Equity Shares of our Company as on June 30, 2017, is as follows:

Cate gory (I)	Category of shareholder (II)	Num ber of share holde rs (III)	Number of fully paid up equity shares held (IV)	Nu mbe r of part ly paid up equi ty shar es held (V)	Num ber of share s under lying depos itory recei pts (VI)	Total number of shares held (VII) = (IV)+(V) (V)+(VI)	Shareho lding as a % of total number of shares (calculat ed as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of voting rights held in each class of securities (IX)				Numbe r of shares under lying outsta nding conver tible securit ies (includ ing war rants) (X)	Sharehold ing as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+ (X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in demateriali zed form (XIV)
								Number of voting rights			Total as a % of (A+B+C)			Nu mbe r (a)	As a % of total share s held (b)	Numbe r (a)	As a % of total shar es held (b)	
								Class eg. X	Cl ass eg. Y	total								
(A)	Promoters & Promoter group	13	82,61,920	-	-	82,61,920	69.20	82,61,920	-	82,61,920	69.20	-	69.20	-	-	-	-	82,61,920
(B)	Public	9,410	36,76,951	-	-	36,76,951	30.80	36,76,951	-	36,76,951	30.80	-	30.80	-	-	-	-	25,49,844
(C)	Non-Promoter- Non public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	9,423	1,19,38,871	-	-	1,19,38,871	100.00	1,19,38,871	-	1,19,38,871	100.00	-	100.00	-	-	-	-	1,08,11,764

(ii) Statement showing shareholding pattern of our Promoters and Promoter Group as on June 30, 2017:

(1) Statement showing shareholding pattern of all Promoters and Promoter Group as on June 30, 2017:																		
Cate gory (I)	Category of shareholder (II)	Num ber of share holde rs (III)	Number of fully paid up equity shares held (IV)	Nu mbe r of part ly paid up equi ty shar es held (V)	Num ber of share s under lying depos itory recei pts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareho lding as a % of total number of shares (calculat ed as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of voting rights held in each class of securities (IX)				Nume r of shares under lying outsta nding conver tible securit ies (includ ing war rants) (X)	Sharehold ing as a % assuming full conversion of convertible securities (as a per centage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered* (XIII)		Number of equity shares held in demateri alized form (XIV)
								Number of voting rights			Total as a % of (A+B+ C)			Nu mbe r (a)	As a % of total share s held (b)	Numbe r (a)	As a % of total shar es held (b)	
								Class eg. X	Cl ass eg. Y	total								
(1)	Indian																	
(a)	Individuals/Hindu undivided Family	10	68,84,761	-	-	68,84,761	57.67	68,84,761	-	68,84,761	57.67	-	57.67	-	-	-	-	68,84,761
(i)	Mahesh Swarup Agarwal	1	19,00,680	-	-	19,00,680	15.92	19,00,680	-	19,00,680	15.92	-	15.92	-	-	-	-	19,00,680
(ii)	Usha Agarwal	1	14,82,471	-	-	14,82,471	12.42	14,82,471	-	14,82,471	12.42	-	12.42	-	-	-	-	14,82,471
(iii)	Manoj Agarwal	1	9,14,818	-	-	9,14,818	7.66	9,14,818	-	9,14,818	7.66	-	7.66	-	-	-	-	9,14,818
(iv)	Shashank Agarwal	1	7,07,485	-	-	7,07,485	5.93	7,07,485	-	7,07,485	5.93	-	5.93	-	-	-	-	7,07,485
(v)	Mahesh Swarup Agarwal HUF	1	5,81,118	-	-	5,81,118	4.87	5,81,118	-	5,81,118	4.87	-	4.87	-	-	-	-	5,81,118
(vi)	Alka Jain	1	3,48,165	-	-	3,48,165	2.92	3,48,165	-	3,48,165	2.92	-	2.92	-	-	-	-	3,48,165
(vii)	Manoj Agarwal HUF	1	3,22,222	-	-	3,22,222	2.70	3,22,222	-	3,22,222	2.70	-	2.70	-	-	-	-	3,22,222
(viii)	Jayatika Goyal	1	2,25,000	-	-	2,25,000	1.88	2,25,000	-	2,25,000	1.88	-	1.88	-	-	-	-	2,25,000
(ix)	Kanika Mahadevwala	1	2,11,500	-	-	2,11,500	1.77	2,11,500	-	2,11,500	1.77	-	1.77	-	-	-	-	2,11,500
(x)	Manjari Agarwal	1	1,91,302	-	-	1,91,302	1.60	1,91,302	-	1,91,302	1.60	-	1.60	-	-	-	-	1,91,302
(b)	Central Government/ State Government (s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	3	13,77,159	-	-	13,77,159	11.54	13,77,159	-	13,77,159	11.54	-	11.54	-	-	-	-	13,77,159
(i)	MSA Investment	1	7,48,012	-	-	7,48,012	6.27	7,48,012	-	7,48,012	6.27	-	6.27	-	-	-	-	7,48,012

Cate gory (I)	Category of shareholder (II)	Num ber of share holde rs (III)	Number of fully paid up equity shares held (IV)	Nu mbe r of part ly paid up equi ty shar es held (V)	Num ber of share s under lying depos itory recei pts (VI)	Total number of shares held (VII) = (IV)+(V) (V)+(VI)	Shareho lding as a % of total number of shares (calculat ed as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of voting rights held in each class of securities (IX)				Numbe r of shares under lying outsta nding conver tible securit ies (includ ing warra nts) (X)	Shareholdi ng as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+ (X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered* (XIII)		Number of equity shares held in demateri alized form (XIV)	
								Number of voting rights			Total as a % of (A+B+C)			Nu mbe r (a)	As a % of total share s held (b)	Numbe r (a)	As a % of total shar es held (b)		
								Class eg. X	Cl ass eg. Y	total									
	And Trading Company Private Limited																		
(ii)	KSM Exports Limited	1	6,27,862	-	-	6,27,862	5.26	6,27,862	-	6,27,862	5.26	-	5.26	-	-	-	-	-	6,27,862
(iii)	KPL Packaging (P) Ltd.	1	1,285	-	-	1,285	0.01	1,285	-	1,285	0.01	-	0.01	-	-	-	-	-	1,285
	Sub Total (A)(1)	13	82,61,920	-	-	82,61,920	69.20	82,61,920	-	82,61,920	69.20	-	69.20	-	-	-	-	-	82,61,920
(2)	Foreign																		
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoters and Promoter Group (A)= (A)(1)+(A)(2)	13	82,61,920	-	-	82,61,920	69.20	82,61,920	-	82,61,920	69.20	-	69.20	-	-	-	-	-	82,61,920

(*) The term "Encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SEBI Takeover Regulations.

(iii) Statement showing holding of specified securities of public shareholders in our Company as of June 30, 2017:

Ca teg ory (I)	Category & name of shareholder (II)	Num ber of share holde rs (III)	Number of fully paid up equity shares held (IV)	Numbe r of partly paid up equity shares held (V)	Num ber of share s under lying depos itory receip ts (VI)	Total number of shares held (VII) = (IV)+(V) (V)+(VI)	Shareho lding % calculat ed as per SCRR, 1957 As a % of (A+B+C 2) VIII	Number of voting rights held in each class of securities (IX)				Num ber of share s under lying outst andin g conve rtible securi ties (inclu ding warr ants) (X)	Shareho lding as a % assumin g full conversi on of converti ble securitie s (as a percent age of diluted share capital) (XI)= (VII)+ (X)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbere d* (XIII)		Number of equity shares held in dematerializ ed form (XIV)
								Number of voting rights			Total as a % of (A+B +C)			Num ber (a)	As a % of total share s held (b)	Nu mber (a)	As a % of total shar es held (b)	
								Class eg. X	Clas s eg. Y	total								
1	Institutions																	
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident funds/ Pension funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Central Government/ State Government/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Non-Institutions																-	-
(a)	Individuals																	

Category (I)	Category & name of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of partly paid up equity shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) VIII	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered* (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of voting rights			Total as a % of (A+B +C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	
								Class eg. X	Class eg. Y	total								
	i. Individual shareholders holding nominal share capital upto ₹ 2 Lakh	8,362	27,17,495	-	-	27,17,495	22.76	27,17,495	-	27,17,495	22.76	-	22.76	-	-	-	-	18,72,037
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	6	3,25,327	-	-	3,25,327	2.72	3,25,327	-	3,25,327	2.72	-	2.72	-	-	-	-	3,25,327
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other (specify)	1,042	6,34,129	-	-	6,34,129	5.31	6,34,129	-	6,34,129	5.31	-	5.31	-	-	-	-	3,52,480
	NRI	803	4,31,525	-	-	4,31,525	3.61	3,15,525	-	4,31,525	3.61	-	3.61	-	-	-	-	1,51,376
	Bodies Corporate	120	1,09,282	-	-	1,09,282	0.92	1,09,282	-	1,09,282	0.92	-	0.92	-	-	-	-	1,07,782
	HUF	104	77,335	-	-	77,335	0.65	77,335	-	77,335	0.65	-	0.65	-	-	-	-	77,335
	Clearing Members	15	15,987	-	-	15,987	0.13	15,987	-	15,987	0.13	-	0.13	-	-	-	-	15,987
	Sub Total (B)(3)	9,410	36,76,951	-	-	36,76,951	30.80	36,76,951	-	36,76,951	30.80	-	30.80	-	-	-	-	25,49,844
	Total public shareholding (B)= (B)(1)+ (B)(2)+ (B)(3)	9,410	36,76,951	-	-	36,76,951	30.80	36,76,951	-	36,76,951	30.80	-	30.80	-	-	-	-	25,49,844
Details of the shareholders acting as persons in Concert including their Shareholding (Number and %): NIL																		
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.																		
Note: 1. *The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI Takeover Regulations.																		
2. ** The details of the Shareholders holding more than 1% of the share capital our Company are as disclosed above.																		

OBJECTS OF THE ISSUE

The proceeds of the Issue, after deducting the Issue related expenses (the “Net Proceeds”), are estimated to be approximately ₹ [●] Lakh.

The Net Proceeds of the Issue are proposed to be deployed for financing the following objects:

- (i) To part finance setting up of a new facility at ‘Gajner Road, Raipur, Fatehpur Roshnai, Akbarpur, Kanpur Dehat, Uttar Pradesh, India – 209121’ for consolidating certain existing operations and expansion of capacity for manufacturing FIBC, Fabric, MFY & Liner (“**New Manufacturing Facility**”);
- (ii) For General Corporate Purposes

(collectively, referred to herein as the “**Objects**”).

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue. Further, we confirm that the activities we have been carrying on until now are in accordance with the objects clause of our Memorandum of Association.

Details of the Net Proceeds of the Issue:

(₹ in Lakh)	
Particulars	Amount
Gross Proceeds of the Issue	Not exceeding 2,000.00
(Less) Issue related expenses*	[●]
Net Proceeds of the Issue	[●]

**To be finalized upon determination of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock exchange.*

Proposed Utilization of the Net Proceeds of the Issue:

(₹ in Lakh)	
Particulars	Amount
To part finance the New Manufacturing Facility	9,464.40*
For General Corporate Purposes**	[●]
Total	[●]

**The quotations / proposals from foreign suppliers are quoted in USD/EUR, assuming an exchange rate of 1 USD = ₹ 64.0154 and 1 EUR = ₹ 76.0439 (As on August 31, 2017). The estimated cost mentioned above may undergo a modification due to exchange rate fluctuation.*

***The amount to be deployed towards General Corporate Purposes will be determined on finalization of the Issue Price in compliance with the SEBI Regulations.*

Means of Finance

Our Company intends to finance the total requirement as below:

(₹ in Lakh)					
Particulars	Total Estimated Cost	Amount proposed to be financed from secured loans	Amount proposed to be financed from Net Proceeds	Amount proposed to be financed from Internal Accruals	
				Amount deployed as on August 31, 2017*	Amount proposed to be deployed henceforth
To part finance the New Manufacturing Facility	9,464.40	5,500.00	[●]	1,483.39	[●]
For General Corporate Purposes	[●]	Nil	[●]	Nil	[●]
Total	[●]	5,500.00	[●]	1,483.39	[●]

**Based on the certificate dated September 14, 2017 from M/s. Pandey & Co., Chartered Accountants (“Identified Internal Accruals”).*

Our funding requirements and the deployment of the Net Proceeds is based on internal management estimates and has not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and are subject to change in light of changes in external circumstances, costs, other financial conditions, business or strategy.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purpose for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals, cash flow from our operations and/or debt, as required. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and / or seeking additional debt from existing and future lenders. In the event that the estimated utilization out of the Net Proceeds in a Financial Year is not completely met, the same shall be utilized in the next Financial Year.

Funding Arrangement

The total funds required for the New Manufacturing Facility is ₹ 9,464.40 Lakh. 75% of the stated means of finance, excluding funds to be raised through the Issue and deployed from Identified Internal Accruals have been arranged as follows:

		(₹ in Lakh)
Particulars		Amount
Aggregate funds required for the objects of the issue (A)		9,464.40
Amount proposed to be financed from Net Proceeds (B)		[●]
Funds deployed as on August 31, 2017 through Identified Internal Accruals (C)*		1,483.39
Funds required excluding the Net Proceeds and Identified Internal Accruals (A) - (B) - (C)		[●]
75% of the funds required excluding the Net Proceeds and Identified Internal Accruals		[●]
Arrangements regarding 75% of the funds required excluding the Issue proceeds		
Funded by Term Loan**		5,500.00

*Based on the certificate from M/s. Pandey & Co., Chartered Accountants dated September 14, 2017.

** The table below gives the details of the Sanctioned Term Loan from Lenders:

Name of Bank	Term Loan sanctioned (₹ in Lakh)	Term Loan disbursed as on August 31, 2017
State Bank of India	3,500.00	Nil
HDFC Bank	2,000.00	Nil
Total	5,500.00	Nil

In view of the above, we confirm that we have complied with the SEBI ICDR Regulations which requires our Company to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Rights Issue.

Deployment of Funds and Sources of Funds

M/s. Pandey & Co., Chartered Accountants vide their certificate dated September 14, 2017 have confirmed that as on August 31, 2017, an amount of ₹ 1,483.39 Lakh has been deployed by our Company towards the New Manufacturing Facility. The details are as follows:

		(₹ in Lakh)
Sr. No.	Particulars	Amount
I	Land & land development Cost	671.68
II	Building	628.39
III	Plant & Machinery	98.57
IV	Utilities & Electricals	84.75
V	Provision for contingencies	Nil
VI	Interest during construction period	Nil
VII	Preliminary and preoperative expenses	Nil
Total		1,483.39

The aforesaid amounts have been financed as follows:

(₹ in Lakh)		
Sr. No.	Particulars	Amount*
I	Internal Accruals	1,483.39
II	Term Loan	Nil
A	State Bank of India	Nil
B	HDFC Bank	Nil
	Total	1,483.39

*Based on the certificate from M/s. Pandey & Co., Chartered Accountants dated September 14, 2017.

Proposed Deployment of Funds

Our Company proposes to deploy the funds towards the above stated Objects during FY 2017-18 and FY 2018-19, depending upon various factors including the actual timing of the completion of the Issue, the receipt of the Net Proceeds and disbursement of the Term Loan. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year. Our Company proposes to deploy the funds as follows:

(₹ In Lakh)					
Sr. No.	Particulars	Funds required	Funds already deployed till August 31, 2017*	Funds proposed to be deployed*	
				In FY 2017-18	In FY 2018-19
1	Land & land development Cost	795.35	671.68	123.67	Nil
2	Building	3,194.39	628.39	1,750.00	816.00
3	Plant & Machinery	2,981.74	98.57	1,500.00	1383.17
4	Utilities & Electricals	1,867.15	84.75	1,000.00	782.40
5	Provision for contingencies	176.77	Nil	Nil	176.77
6	Interest during construction period	324.00	Nil	108.00	216.00
7	Preliminary and preoperative expenses	125.00	Nil	Nil	125.00
8	General Corporate Purpose	[•]	Nil	[•]	[•]
	Total	[•]	1,483.39	[•]	[•]

*Based on the certificate from M/s. Pandey & Co., Chartered Accountants dated September 14, 2017.

Details of the Objects of the Issue

1. To part finance the New Manufacturing Facility

We propose to set up a new facility at 'Gajner Road, Raipur, Fatehpur Roshnai, Akbarpur, Kanpur Dehat, Uttar Pradesh, India – 209121' ("New Manufacturing Facility"). This New Manufacturing Facility would:

- Consolidate certain existing operations which are currently being undertaken at the Existing Facilities; and
- Increase the aggregate installed capacity of FIBC, Fabric, MFY & Liner from 17,950 MTPA to 27,550 MTPA.

The details of the objects are as follows:

(a) Consolidation of operations:

Our Company currently operates manufacturing & storage facilities from the Existing Facilities situated at: (1) Unit 1: D 19-20, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India (2) Unit 2: A 1-2, Udyog Kunj, Site - V, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India (3) Unit 3: D 6, Site - II, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India, (4) Unit 4: 79 A, Co-operative Industrial Estate,

Dada Nagar, Kanpur, Uttar Pradesh, India (5) Unit 5: C 11, Site-I, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India.

The consolidation of existing operations has become a necessity for the Company as these multiple locations were leading to operational inefficiencies. This consolidation will lead to the vacation of the Existing Facilities situated at Unit 3, Unit 4 and Unit 5 as well as vacation of the Existing Facilities situated at Unit 1, which houses the extrusion and weaving operations. This consolidation will also lead to shifting of the extrusion operations from the Existing Facilities situated at Unit 2, which also houses stitching and finishing operations. The space released in the Existing Facilities situated at Unit 2, will then be utilized for increasing the capacity of stitching and finishing operations, from the current 1000 MT per month to 1500 MT per month.

(i) Increase in capacity:

(a) FIBC and Fabric manufacturing facilities: Our Company has achieved optimum capacity utilization for FIBC and Fabric facilities in the last 2 years. We believe that the demand for these products will continue to improve in the future and expansion of capacity would benefit the Company to meet the growing demand as well as increase their presence in the domestic market. Hence, our Company intends to increase the installed capacity of FIBC and Fabric manufacturing facilities from 14,600 MTPA to 23,000 MTPA. We intend to utilize the additional capacity to sell Fabric in South American & Indian markets and FIBC in the USA and European markets. We also believe that the weaving process at the New Manufacturing Facility will be suitable for manufacturing food grade quality products. This would enable our Company to increase the sales as such products can be supplied to food industries subject to necessary regulatory approvals.

(b) Liner manufacturing facilities: Our Company is currently using 600 MTPA of LDPE Liners for production of FIBC, which are currently outsourced. Our Company now proposes to set up a liner manufacturing facility, with an installed capacity of 1200 MTPA. Our Company will use this additional capacity to support the FIBC and Fabric manufacturing facilities as well as direct sales.

The breakup of the estimated cost of setting up the New Manufacturing Facility is ₹ 9,464.40 Lakh is as follows:

		(₹ In Lakh)
Sr. No.	Particulars	Total
I	Land & land development cost	795.35
II	Building	3,194.39
III	Plant & Machinery	2,981.74
IV	Utilities & Electricals	1,867.15
V	Provision for contingencies	176.77
VI	Interest during construction period	324.00
VII	Preliminary and preoperative expenses	125.00
	Total	9,464.40

The details of the estimated cost are given hereunder:

I. Land & land development cost: The Company has already deployed funds to the extent of ₹ 671.68 Lakh towards acquisition of land and ₹ 123.67 Lakh towards registration charges, stamp duty and site development of the land. The said funds were deployed from Identified Internal Accruals, as certified by M/s. Pandey & Co., Chartered Accountants vide certificate dated September 14, 2017. The land admeasuring 8.1825 hectares is a freehold land and is proposed to be encumbered in favour of Term Lenders. The land is located at Gajner Road, Raipur, Fatehpur Roshnai, Akbarpur, Kanpur Dehat, Uttar Pradesh, India – 209121, which is situated off the Kanpur - Agra National Highway and is at a distance of 15 kilometers from the Existing Facilities situated at Unit 1.

II. Building: The New Manufacturing Facility envisages construction of around 4,10,000 square feet of factory building with the infrastructure of boundary wall, water sources, internal roads, plumbing and sanitation. The estimated cost of the building is ₹ 3,194.39 Lakh. The detailed breakup is as follows:

				(₹ in Lakh)
Description	Name of Supplier	Amount	Quotation date	
Civil work for Building foundation, flooring, roads, pavements, utility blocks	Techpro Engineers Private Limited	2,100.00	July 21, 2017	

Description	Name of Supplier	Amount	Quotation date
and all related accessories and fittings			
Design, Manufacturing & Supply of Pre-engineered Steel building	Inter Arch Building Product Private Limited	816.84	July 17, 2017
Erection of Pre-engineered Steel building	Inter Arch Building Product Private Limited	87.22	August 9, 2017
Thermal Wrap Insulation	Divine Thermal Wrap Private Limited	43.69	August 1, 2017
Labour charges for bubble insulation at Gajner Road	Inter Arch Building Product Private Limited	16.64	August 9, 2017
Concept design Consultation	And Black Design Studio	15.00	February 20, 2017
Structural Engineer, Labour Cost and Project Consultation	Management Estimate	115.00	NA
TOTAL		3,194.39	

(Source: Quotations received by our Company and management estimation letter dated September 14, 2017)

III. Plant & Machinery: The Company is in the process of placing orders for various plant & machinery from domestic as well as overseas suppliers. We propose to purchase plant & machineries amounting to ₹ 2,981.74 Lakh which includes cost of machines, cost of transportation, freight, insurance, customs duty, additional customs duty, cost of erection & commissioning and GST on the same. The details of Plant & Machineries to be purchased for the New Manufacturing Facility are as under:

(a) Imported Plant and Machineries

Plant & Machinery	Name of Supplier	Amount (USD / EUR)*	Amount (₹ In Lakh)	Quotation Date
Recycling Machine type S-Gran 85-70 V HD LD26	Next Generation Recycling Machine	3,88,776 EUR	372.64	July 24, 2017
Extruders Coating Machine- BDC E90 1600B	Polymma (HK) Company, Limited	1,69,000 USD	136.51	July 10, 2017
Four thread overlock sewing machine + cutter upper group, pneumatic system	Orsan Ops Talaşlı Imalat	1,17,810 EUR	108.24	July 24, 2017
Inner Bag welding cutting machine NDJ – 2300C	Polymma (HK) Company, Limited	52,800 USD	40.36	August 04, 2017
Form fit liner machine NDJ-A	Polymma (HK) Company, Limited	38,500 USD	29.56	August 04, 2017
Ultrasonic Equipment type “Novus 3. SM 300W”	Spoolex	13,528 EUR	13.08	July 20, 2017
Loom Ultrasonic Cutting Machine	Polymma (HK) Company, Limited	14,400 USD	11.35	August 04, 2017
Webbing cutting machine DQJ - 4/6	Polymma (HK) Company, Limited	10,400 USD	8.80	August 04, 2017
Total			720.54	

*FOB Price (Excluding taxes payable in ₹, Packing, Transport and other costs)

(Source: Quotations received by our Company from foreign suppliers and management estimation letter dated September 14, 2017)

(b) Indigenous Plant and Machineries

(₹ in Lakh)				
Plant & Machinery	Name of Supplier		Amount	Quotation Date
Raffia				
Tape Extrusion Line Model Lorex E135SB	Lohia Limited	Corp	418.07	July 12, 2017
Tape Extrusion Line Model Lorex E90SB	Lohia Limited	Corp	329.57	July 12, 2017
Filament / Cheese Winder Model LFW 200FE	Lohia Limited	Corp	205.02	July 12, 2017
Filament / Cheese Winder Model LFW 200CE	Lohia Limited	Corp	74.08	July 12, 2017
Gravimetric Batch blending system – AGB 2-4/0, Conveying System AVL 500Q	Aerodry Plastics Automation Private Limited		43.40	July 22, 2017
Gravimetric Batch blending system – AGB 10-4/0, Conveying System AVL 1000Q, De-dusting System DS-48	Aerodry Plastics Automation Private Limited		25.01	July 22, 2017
Gravimetric Batch blending system – AGB 5-4/0, Conveying System AVL 800Q, De-dusting System DS-48	Aerodry Plastics Automation Private Limited		16.34	July 22, 2017
KMI Tensile Tester Machine 201T	Kamal Industries	Metal	7.26	July 28, 2017
Loom				
Circular Loom Model Nova 62 (LF)	Lohia Limited	Corp	300.66	July 12, 2017
Circular Loom Model Nova 81 (HF)	Lohia Limited	Corp	257.48	July 12, 2017
Circular Loom Model Nova 6-576 (LF)	Lohia Limited	Corp	182.29	July 12, 2017
FIBC Needle Loom Machine SJN 4-75	Susmatex Machinery		72.07	July 15, 2017
Finishing				
Jumbo Sack Printer Three Colour	JPI Printing Machinery Private Limited		35.11	July 26, 2017
Hydraulic Pallet bailing press	S. D. Systems		25.55	July 25, 2017
Servo based fabric cutting machine	S. D. Systems		25.08	July 27, 2017
Servo based Cold cutting machine	S. D. Systems		25.07	July 27, 2017
Juki Single needle Unison Feed Lock Stitch Machine With Vertical Axis Large hook LU-1510N	IIGM Limited	Private	14.00	July 22, 2017
Hydraulic Spout/Baffle Punching machine	S. D. Systems		12.00	August 01, 2017
Stitching Machinery Accessories	Armstrong		8.28	July 25, 2017
Metal Detector system	Management Estimate		4.09	NA
Liner				
Three Layer co-extruded Blown film line	Rajoo Limited	Engineers	180.75	July 19, 2017
Total			2,261.18	

(Source: Quotations received by our Company and management estimation letter dated September 14, 2017)

IV. Utilities & Electricals: The New Manufacturing Facility would have adequate arrangement of infrastructure facilities for raw materials and utilities like water and electricity. The estimated cost would be ₹ 1,867.40 Lakh. The details of Utilities & Electricals for the proposed New Manufacturing Facility are as under:

(a) **Imported Utilities and Electricals**

Utilities & Electricals	Name of Supplier	Amount (USD)*	Amount (₹ in Lakh)	Quotation Date
Evaporative Air Cooler	Greencon	44,850	38.48	July 12, 2017
Exhaust Fan 27000 CMH	Greencon	3,264	3.03	July 12, 2017
Total			41.51	

**FOB Price (Excluding taxes payable in ₹, Packing, Transport and other costs)*

(Source: Quotations received by our Company from foreign suppliers and management estimation letter dated September 14, 2017)

(b) **Indigenous Utilities and Electricals**

(₹ in Lakh)				
Utilities & Electricals	Name of Supplier	Amount	Quotation Date	
Utilities				
Chilling Plant – WSC 175S, WSC 215S, WSC 265S,	Airtech Cooling Process Private Limited	107.41	August 01, 2017	
Fire Hydrant System, Fire Extinguisher and Fire Alarm	Victor India	75.75	August 03, 2017	
High Tensile Black Bobbins	A. S. (E) Exports Private Limited	65.70	July 25, 2017	
Bobbin Trolley	Management Estimate	61.07	NA	
Factory fabricated GI Rectangular Duct & accessories	Greencon	59.20	July 12, 2017	
Roll Storage Rack (For storage of 600 MT)	Management Estimate	42.43	NA	
Atlas Copco Screw Air Compressor - GAe-30 VSD FF, GA-37 VSD FF	Thermodynamic Services	41.71	July 18, 2017	
Modular Switch, Patch Cord, Firewall with Hostspot, Installation charges	Rath	31.33	August 10, 2017	
Cooling Towers – AQ 3870 (TB), AQ 3871 (TB), 6.1 KF 6112	Paharpur Cooling Tower Limited	30.70	July 28, 2017	
Passenger Lift, Goods lift for store and Pallet Lift	Legend Elevator Industries	29.54	August 09, 2017	
CCTV, its installation and its accessories	Rath	28.54	August 10, 2017	
Electric Forklift Truck GX 200E with Extra automatic battery charger	Thermodynamic Engineers Private Limited	26.27	July 28, 2017	
Prefab water Tanks and Fittings	COEP Enviro solutions	25.05	August 03, 2017	
Weigh Bridge	Avery Weigh-Tronix	20.69	August 10, 2017	
Reach Truck with battery charger – GRT 120E 72	Thermodynamic Engineers Private Limited	19.76	August 02, 2017	
Motorised Rolling Shutter	Gandhi Automation Private Limited	19.43	August 03, 2017	
Sewage Treatment Plant	Unique Agencies	18.23	August 02, 2017	
M. S. Pipe	Rama Pipe Company	15.13	July 28, 2017	
Air Curtain, PVC Curtain, Insect Killer, Roda Box, Rain Water Harvesting & Barrier Gate	Management Estimate	14.19	NA	
Watch Tower with MS Security cabin	Saharsh Enterprise	12.74	August 02, 2017	
Powered Pallet Truck – GPPT 2000	Thermodynamic Engineers Private Limited	4.45	August 02, 2017	
Hydraulic Hand Pallet Trucks – HPT 25C	Thermodynamic Engineers Private Limited	2.20	August 03, 2017	
Hydraulic Hand Pallet Trucks – GPT 2500	Thermodynamic Engineers Private Limited	1.79	July 22, 2017	
Visitors Management System	Sara Electronics	0.18	August 02, 2017	
Electricals				

Electrical Panels	Ess Aar Universal Private Limited	244.75	July 25, 2017
Deposit at Electrical Safety, Security Deposit, Supervision Charges, System Loading Charges, etc.	Management Estimate	169.60	NA
DG Set 1010 KVA/808 KW	Eram Engineers Private Limited	158.71	August 01, 2017
33 KV XLPE Cable 3*300 Sq mm & other cables/wires	Management Estimate	134.06	NA
33KV Line Material	Rapid	64.60	August 10, 2017
M. S. Pole	Roll Tubes Limited	49.70	July 05, 2017
Cost of Bay & Bus Duct	Management Estimate	44.10	NA
2500 KVA OLTC outdoor type distribution transformer	CG Power and Industrial Solutions Limited	37.70	August 17, 2017
3150 KVA OLTC outdoor type distribution transformer	CG Power and Industrial Solutions Limited	30.09	August 17, 2017
ACSR DOG Conductor	Step Industries Private Limited	28.84	July 13, 2017
33KV Indoor VCB Panel	CG Power and Industrial Solutions Limited	27.07	July 17, 2017
GI Hot Dip galvanized cable tray & Earthing material	ARE Metal India Private Limited	26.41	July 26, 2017
Copper Material & Open Accessing Metering	Management Estimate	23.80	NA
Readymade DBs with MCB & MCCBs	Legrand India	17.56	June 02, 2017
Street Light Pole	Vipin S. T. Poles Private Limited	6.28	August 08, 2017
External Lightning Protection System	Genius Protection System Private Limited	4.94	July 29, 2017
3M Heat Shrink Kit Straight, Outdoor and Indoor	Choubay & Company	3.93	August 08, 2017
Total		1,825.63	

(Source: Certified by the Company vide management estimation letter dated September 14, 2017)

V. Provision for contingencies:

Provision for contingency on account of exchange fluctuations or other extraneous factors, civil construction, transportation costs, input materials and other contingencies have been provided as ₹ 176.77 Lakh, at about 2.00 % of ₹ 8,838.63 Lakh, i.e. the total estimated cost before incorporating the provision for contingencies, Interest during construction period and the preliminary & preoperative expenses.

VI. Interest during construction period:

We have been sanctioned Term Loan of ₹ 5,500 Lakh by State Bank of India Limited (₹3,500 Lakh) and HDFC Bank Limited (₹ 2,000 Lakh) vide their sanction letter dated June 21, 2017 and July 25, 2017 respectively. These loans carry a moratorium period of 18 months from the date of disbursement. Accordingly, the interest during the construction period, which would be amortised towards the cost of the New Manufacturing Facility, is expected to be ₹ 324.00 Lakh.

VII. Preliminary and preoperative expenses:

Preliminary and preoperative expenses of ₹ 125.00 Lakh mainly comprise of expenses such as loan syndication fees, stamp duty, documentation charges and all upfront / appraisal fee required for raising the debt.

Schedule of Implementation

Our Company shall implement the entire expansion plan in a single phase, in the manner as described below:

Sr. No.	Schedule of Activities	Actual / Expected Date of Commencement	Expected Date of Completion
	Acquisition of Land	Already Completed	
1	Placing of Order	May 2017	July 2018
2	Completion of Building	April 2017	June 2018
3	Erection / Commissioning / Trial Run / Shifting (Consolidation of Operations)	April 2018	June 2018
4	Commercial Run	July 2018	

(Source: Certified by the Company vide management estimation letter dated September 14, 2017)

2. For General Corporate Purposes

Our Board will have flexibility in applying the balance amount, aggregating to ₹ [●] Lakh, towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds of the Issue, including, meeting our working capital requirements, routine capital expenditure, funding our growth opportunities and strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, rent, administration expenses, insurance related expenses, repairs and maintenance, and the payment of taxes and duties, and meeting of exigencies which our Company may face in course of business. We may also reschedule the proposed utilization of Net Proceeds and increase or decrease expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

If the actual utilization earmarked for the Objects is lower than the proposed deployment then such balance of the Net Proceeds of the Issue would be used for future growth opportunities including general corporate purposes but not restricted to meeting expenditure towards strategic initiatives, brand building exercises, strengthening of our marketing capabilities, meeting exigencies and / or any other purposes as approved by our Board.

Our Company undertakes that the expenses related to general corporate purposes shall not exceed 25% of the amount raised by our Company through this Rights Issue as specified under Regulation 4 (4) of SEBI ICDR Regulations. Further, any expenses related to the Issue will not be considered as a part of general corporate purpose as required under Regulation 2 (1) (na) of SEBI ICDR Regulations.

Bridge Financing Facilities

We have not raised any bridge financing facilities from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Interim Use of Funds

Pending utilization for the purposes described above, we intend to temporarily deposit the funds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for used for buying, trading or otherwise dealing in equity shares of any other listed company.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] Lakh. The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The break-up of estimated Issue related expenses are as follows:

Particulars	Estimated Expenses*	% of Estimated Issue Size*	% of Estimated Issue expenses*
Fees of Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Auditors, Bankers	[●]	[●]	[●]

Particulars	Estimated Expenses*	% of Estimated Issue Size*	% of Estimated Issue expenses*
Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees	[●]	[●]	[●]
Regulatory fees, Filing fees, Stamp Duty, Listing Fees, Depository Fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	100.00%

**Amount will be finalized at the time of filing Letter of Offer and on determination of Issue Price*

Monitoring Utilization of Funds from the Issue

As the proceeds from the Issue are less than ₹ 10,000 lakh, in terms of Regulation 16(1) of the ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulation 18 of the SEBI Listing Regulations, we will disclose to the audit committee the uses / applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the audit committee. The said disclosure shall be made till such time that the full proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulation 33 of the SEBI Listing Regulations and will be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Regulation 18 of the SEBI Listing Regulations.

Appraisal of the Objects

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Managerial Personnel and members of our Promoter Group or Group Entities, except in the ordinary course of business. Additionally, we further confirm that the amount raised by our Company through the Issue shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company by our Company.

STATEMENT OF TAX BENEFITS

To

The Board of Directors,
Kanpur Plastipack Limited
D-19-20, Panki Industrial Area,
P O Udyog nagar,
Kanpur – 208 022
Uttar Pradesh

Dear Sirs,

Sub : Statement of possible Direct Tax Benefits available in connection with proposed Rights Issue of Equity Shares (“the Issue”) of Kanpur Plastipack Limited (“the Company”)

We report that the enclosed statement states the possible direct tax (viz. under the Indian Income Tax Act, 1961) benefits available to the Company or its shareholders under the current direct tax law referred to above, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The possible direct tax benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) The Company or its shareholders will continue to obtain these benefits in future; or
- ii) The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is intended solely for information and for inclusion in offer documents in relation to the Issue and is not to be used, circulated or referred to for any other purpose without our prior written consent.

Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time. No assurance is given that the revenue authorities/courts will concur with the views expressed in this Tax Benefit Statement. We do not assume responsibility to update the views consequent to such changes.

The views are exclusively for the use of the Company and shall not, without our prior written consent, be disclosed to any other person, except to the extent disclosure is otherwise permitted by the terms of our engagement.

Thanking you,

For **PANDEY & COMPANY**
Chartered Accountants
Firm Registration Number 000357C

Amit Pandey
Partner
Membership Number 40237

Place : Ahmedabad.
Date : August 24, 2017

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO KANPUR PLASTIPACK LIMITED (“THE COMPANY”) AND TO ITS SHAREHOLDERS

1. Under the Income-tax Act, 1961 (“the Act / IT Act”)

I. Special tax benefits available to the Company

There are no special tax benefits available under the Act to the Company.

II. General tax benefits available to Companies

- i) As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax (“MAT”) liability.
- ii) As per section 10(34A) of the Act, any income arising to the company in the capacity of shareholder on account of buy back of shares (not being listed on recognized stock exchange) by the other company as referred to in section 115QA is exempt from tax. Such income is to be excluded while computing Minimum Alternate Tax (“MAT”) liability.
- iii) As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:
 - a) Income received in respect of the units of a Mutual Fund specified under clause (23D); or b) Income received in respect of units from the Administrator of the specified undertaking; or c) Income received in respect of units from the specified company: However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.
- iv) As per section 32(iia) of the Act the company is entitled to additional depreciation at the rate of 20% on actual cost of new plant or machinery subject to conditions as prescribed over and above normal depreciation available under Act.
- v) Capital assets may be categorized into short term capital assets or long term capital assets based on the period of holding. Capital asset being share or any other security listed on a recognized Stock Exchange in India or unit of Unit Trust of India or unit of a Mutual Fund (Equity Oriented) specified under section 10(23D) or a zero coupon bond held by the assessee for a period of more than 12 months are considered as long term capital assets. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as long term capital gains (“LTCG”). Capital gains arising on sale of these assets held for 12 months or less are considered as short term capital gains (“STCG”). In respect of any other capital asset, the holding period should exceed 36 months to be considered as long term capital asset except in case of share of a company (not being share listed on recognized stock exchange in India) wherein the holding period should exceed 24 months to be considered as long term capital asset.
- vi) As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- vii) As per section 10(38) of the Act, LTCG arising to the Company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or unit of a business trust where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax (“STT”) will be exempt in the hands of the Company. Provided also that nothing contained in this clause shall apply to any income arising from the transfer of a long-term capital asset, being an equity share in a company, if the transaction of acquisition, other than the acquisition notified by the Central Government in this behalf, of such equity share is entered into on or after the 1st day of October, 2004 and such transaction is not chargeable to securities transaction tax under Chapter VII of the Finance (Number 2) Act, 2004. However, income by way of LTCG shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax (“MAT”) under section 115JB of the Act.

- viii) In accordance with section 112 of the Act, LTCG to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
- ix) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”. A “long term specified asset” means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under Section 3 of The National Highways Authority of India Act, 1988; or b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified by the Central Government in this behalf. The total deduction with respect to investment in the long term specified assets is restricted to Rs. 50 Lakh whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the “long term specified asset” are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- x) As per section 111A of the Act, STCG arising to the Company from the sale of equity share or a unit of an equity oriented fund or a unit of business trust, where such transaction is chargeable to STT will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
- xi) As per section 70 read with section 74 of the IT Act, Short Term Capital Loss (“STCL”) computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years’ STCG as well as LTCG. However, the long term capital loss (“LTCL”) computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ LTCG.
- xii) Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years.
- xiii) Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any sources of income in the same year or any subsequent assessment years as per section 32(2) of the Act subject to the provisions of section 72(2) and section 73(3) of the Act.
- xiv) As per section 115JAA of the Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of the Act for that assessment year. The MAT credit shall not be allowed to be carried forward beyond fifteenth assessment year immediately succeeding the assessment year in which tax credit become allowable.
- xv) As per section 80JJAA, an assessee to whom section 44AB applies, shall be eligible for a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the previous year, for 3 assessment years subject to conditions stipulated in the new section 80 JJAA.

The law stated below is as per the Income-tax Act, 1961 as amended by the Finance - Act, 2017 and on the assumption that the Equity Shares would not be held by the shareholders as stock-in-trade.

III. General tax benefits available to Resident Shareholders

- i) As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. As per the Finance Act 2016, income by way of dividend in excess of Rs. 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, at the rate of 10% plus applicable surcharge and cess.
- ii) As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- iii) As per section 10(38) of the Act, LTCG arising from the transfer of a long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT, will be exempt in the hands of the shareholder.
- iv) In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation
- v) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”. A “long term specified asset” means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified by the Central Government in this behalf. The total deduction with respect to investment in the long term specified assets is restricted to Rs. 50 Lakh whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the “long term specified asset” are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- vi) As per section 54F of the Act, LTCG in cases not covered under section 10(38) arising on the transfer of the shares of the company held by an Individual or Hindu Undivided Family (HUF) subject to conditions specified therein will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two year after the date of transfer or to be constructed within three years after the date of transfer.
- vii) As per section 111A of the Act, STCG arising from the sale of equity shares of the company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
- viii) As per section 70 read with section 74 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the long term capital loss not covered under section 10(38) computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

- ix) No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

IV. General tax benefits available to Non-Resident Shareholders (Other than Foreign Institutional Investors (“FIIs”) / Foreign Portfolio Investors (“FPIs”))

- i) As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax.
- ii) As per first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.
- iii) As per section 10(38) of the Act, LTCG arising from the transfer of long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT, will be exempt in the hands of the shareholder.
- iv) As per section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act, would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after giving effect to the first proviso to section 48 of the Act. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
- v) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a “long term specified asset”. A “long term specified asset” means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: (a) National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956 or any other bond notified by the Central Government in this behalf. The total deduction with respect to investment in the long term specified assets is restricted to Rs. 50 Lakh whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the “long term specified asset” are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- vi) As per section 54F of the Act, LTCG (in cases not covered under section 10(38) arising on the transfer of the shares of the Company held by an Individual or Hindu Undivided Family (HUF) subject to conditions specified therein will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.
- vii) As per section 111A of the Act, STCG arising from the sale of equity shares of the Company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.
- viii) As per section 70 read with section 74 of the IT Act, STCL computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years’ STCG as well as LTCG. However, the LTCL not covered under section 10 (38); computed for a given year is allowed to be set off only against the LTCG for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ LTCG.

- ix) In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the Government of that country or any specified territory. As per section 90(5) of the Act, the nonresident shall also be required to provide such other information, as has been notified.
- x) As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a foreign company, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income.

V. Special tax benefits available to Non-Resident Indians

- i) As per section 115C(e) of the Act, the term “non-resident Indians” means an individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
- ii) As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, LTCG on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.
- iii) As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- iv) As per section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- v) As per section 115H of the Act, where non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to investment income derived from the investment in equity shares of the Company as mentioned in section 115C(f)(i) of the Act for that year and subsequent assessment years until assets are transferred to converted into money.
- vi) As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of “Chapter XII-A – Special Provisions Relating to Certain Incomes of Non-Residents” for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to

him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

- vii) In a situation where the shareholder transfers the shares of the Company, which are held as 'long-term capital assets' and such transaction is not covered by the provisions of section 10(38) of the Act as referred to earlier, the shareholder can consider availing the benefit as provided in section 54F of the Act. Shareholders being individuals can consider the conditions so stated in section 54F of the Act and examine the availability of the benefit based on their individual tax position.
- viii) In respect of non-resident Indian, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident Indian, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the Government of that country or any specified territory. As per section 90(5) of the Act, the nonresident Indian shall also be required to provide such other information, as has been notified.

VI. Benefits available to FIIs / FPIs Special tax benefits

- i) Under section 115AD(1)(ii) of the IT Act, income by way of STCG arising to the FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge and education cess. Under Section 115AD(1)(iii) of the IT Act income by way of LTCG arising from the transfer of shares (in cases not covered under Section 10(38) of the IT Act) held in the company will be taxable at the rate of 10% (plus applicable surcharge and education cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs. Further, for the purposes of section 115AD, FPIs would get similar treatment as available to FIIs.
- ii) As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
- iii) In respect of FIIs and FPIs, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FIIs/FPIs is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the Government of that country or any specified territory. As per section 90(5) of the Act, the non-resident shall be required to provide such other information, as has been notified.
- iv) As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a FII, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income. 4. As per section 2(14) of the Act, any securities held by a FII / FPI which has invested in such securities in accordance with the regulations made under Securities & Exchange Board of India Act, 1992 would be treated as a capital asset only so that any income arising from transfer of such security by a FII / FPI would be treated in the nature of capital gains.

VII. Special tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be

exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

NOTES:

1. The statement of tax benefits enumerated above is as per the Income Tax Act 1961 including amendments as set out in the Finance Act 2017 (FA).
2. As per the FA, surcharge is to be levied on individuals, HUF, AOP, Body of Individuals and artificial juridical person, at the rate of 15% if their total income exceeds Rs 1 Crore; and in case of Firm, Co-operative Society and Local Authority at the rate of 12% if their total income exceeds Rs. 1 Crore.
3. Surcharge is levied on domestic companies at the rate of 7% where the income exceeds Rs. 1 crore but does not exceed Rs 10 crores and at the rate of 12% where the income exceeds Rs. 10 crores.
4. Surcharge is levied on every company other than domestic company at the rate of 2% where the income exceeds Rs 1 crore but does not exceed Rs 10 crores and at the rate of 5% where the income exceeds Rs. 10 crores.
5. A 2% education cess and 1% secondary and higher education cess on the total income is payable by all categories of taxpayers.
6. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares.
7. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
9. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
10. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the FA.

Above are the possible tax benefits available to the shareholders under the current tax laws in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions. The benefits discussed above are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

SECTION IV – ABOUT THE COMPANY

HISTORY AND CORPORATE STRUCTURE

History & Background

Our Company was originally incorporated as ‘Kanpur Plastipack Private Limited’, a private limited company under the provisions of the Companies Act, 1956 pursuant to the grant of Certificate of Incorporation dated July 26, 1971 by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, our Company was converted into Public Limited Company and a Fresh Certificate of Incorporation in the name of ‘Kanpur Plastipack Limited’ was issued by the Registrar of Companies, Uttar Pradesh, Kanpur on December 9, 1985. The Corporate Identity Number (CIN) of our Company is L25209UP1971PLC003444. The registered office of our Company is situated at D 19-20, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India – 208022. In 1986, our Company came out with an initial public offer. Currently the equity shares of our Company are listed on BSE Limited. Our Company is primarily engaged in the business of manufacturing FIBC, Fabric and MFY.

Corporate Structure of our Company

Our Company does not have any subsidiary.

Main Objects of our Company

The main objects of our Company as contained in its Memorandum of Association are:

1. *To manufacture, import, export, buy, sell, exchange, distribute, fabricate, mould, extrude, expand, compress, bond, laminate, reinforce, weld, shape, coat, print, treat, spin, weave, electroplate, vulcanise, melt, metallize, stretch, slit to adopt any of processes for loaming, fibrillation, cocooning, and to manipulate, prepare for market or otherwise deal in Bakelite, Polyethylene, Polyvinyl chloride, plastics and plastic products of any kind and nature whatsoever, woven bags, sacks, tarpaulins, sheets, carpet backings, parachutes, fishing nets, mosquito nets, wall coverings, tents, wires, ropes, floor tiles, roofing sheets, containers, household & kitchen articles, furniture, writing and packing papers, art papers, strappings, foot wear and satchels.*
2. *To manufacture, import, export, buy, sell, exchange, distribute, fabricate, process print, weave or other-wise deal in and with synthetic rubber including silicon rubber, synthetic leather, synthetic fibers, all sorts of plastic raw materials, machinery and parts, plastic resins, pellets and powders in liquid form or any other form, reneverated cellulose including artificial silk, bakelite, celluloid and other cellulose esters solutions, plastic extrusion and moulding substances, chemicals and cellulose bases of all kinds, synthetic fibers forming polimeric amides, acids, alkalis and adhesives.*
3. *To carry on the business of manufacturers of and dealers in products, articles and packagings made from paper, board pulp of all kinds, cellulose films, polyethylene, plastic films and metal foils and films of all kinds and other flexible or treated or laminated materials, including card-board, railway and other tickets, mill board, paper and corrugated cardboard boxes, wall and ceiling papers, toilet rolls and tapes, containers, drinking straws, bags, pouches, envelopes, sheets, rolls and all kinds of flexible packaging, and manufacturing, fabricating, printing, treating, waxing and laminating all kinds of packaging materials.*
- 3A. *To carry on the business of exporters, importers, distributors, traders, merchants, dealers, representatives, selling agents, buying agents, buyers, repackers, sellers, wholesalers, retailers, suppliers and stockiest of all kinds and variation of polymers, chemicals and engineering items.*
4. *To carry on in India or abroad the business activities of commissioning, setting up, operating, maintaining electric power transmission systems/ network, manufacturer, generator, purchaser, seller, transmitter, processor, procurer, supplier, distributor, converter, developer, storer, carrier, trader and dealer or otherwise acquire to use, sell, transfer or otherwise dispose of all types of electrical power by conventional, non-conventional methods including coal, gas lignite, oil, bio-mass, waste, thermal, solar, hydel, tidal, geo-hydel, wind, hydrocarbon fuel, or any other form, kind or description and to buy, sell, design, plan, manufacture, assemble, supply, erect, commission, test, maintain, trouble shooting, repair, service etc., of electrical and/or*

electronics goods, items, instruments, parts, spares, D.G. sets, electrical control, switchgear panels, switches, cables, plugs, power projects in industrial, commercial, residential, establishments etc., in part individual and/or composite key basis and to provide Consultancy, expert services, advises, designs, drawings in relation to supervision and control of power projects in India and abroad.

Major Events of our Company

Sr. No.	Year	Events
1	1971	Incorporated on July 26, 1971 as private limited Company in the name and style of 'Kanpur Plastipack Private Limited'. Set up a unit for manufacturing HDPE woven fabric and sacks with installed capacity of 130 MTPA at : D 19, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India
2	1985	Converted into Public Limited Company on December 9, 1985.
3	1986	Initial public offer of 12 Lakh Equity Shares of ₹ 10/- each for cash at a premium of ₹ 2/- per Equity Share in October 1986.
4	1987	The Registered Office of our Company was shifted from 3/74, Vishnupuri, Kanpur - 208 002 to : D 19-20, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India with effect from February 24, 1987.
5		Jute Packaging Material Bill, 1987 passed by the Parliament on May 6, 1987 and gazzated on May 11, 1987 provided compulsory use of Jute packaging in various industries. Notification issued by the Ministry of Textile dated May 29, 1987 in this regard. Due to Notification issued by Government on Jute Packaging Material, the entire project of paper lined bag with installation of imported machinery could not be utilized, our company was prohibited in selling its products to its traditional customers. As a market diversification, our Company started Exports of its products.
6	1990	Application filed with the BIFR on August 14, 1990 for registration as a sick company.
7	1992	The Company was declared a sick unit and thereafter, rehabilitation package was sanctioned by the BIFR on July 14, 1992.
8	1997	BIFR approved one time settlement on July 31, 1997 with a waiver towards funded interest/compound/panel and unpaid interest.
9	2000	BIFR discharged our Company from its purview on August 17, 2000.
12	2005	Company was granted 'One Star Export House Status' from the Ministry of Commerce and Industry, Government of India
13	2007	Acquisition of A 1-2, Udyog Kunj, Site - V, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India by way of lease from UPSIDC to increase the production capacity from present level of 6000 MTPA to 10,000 MTPA under the proposed modernization and expansion project.
14	2007	Rights Issue of 17,68,750 Equity shares of face value of ₹ 10/- each at a premium of ₹ 10/- per share for an issue price of ₹ 20/- per equity share aggregating to ₹ 353.75 Lakh.
15	2009	Awarded 'NIRYAT SHREE' award by FIEO, presented by Shri Pranab Mukherjee, former Minister of Finance, Government of India.
16	2010	Diversified product of Multifilament Yarn was successfully commissioned.
17	2011	On completion of 40 years of its inception, our Company decided to issue Bonus Shares in the ratio of 1:2 (i.e. one new fully paid up Equity shares for every two Equity Shares held).
18	2014	Successfully installed roof top solar power plant of 200 KW capacity.
19	2015	Our Company was granted 'Two Star Export House Status' from the Ministry of Commerce and Industry, Government of India

Sr. No.	Year	Events
20	2016	To mark the 45 years of completion, our Company decided to issue Bonus Shares in the ratio of 1:2 (i.e.one new fully paid up Equity shares for every two Equity Shares held)
21		Installed second roof top solar power plant of 306 KW capacity.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company is required to have Directors as per the applicable provisions of Companies Act, 2013 and rules made thereunder, i.e. not less than 3 (three) and more than 15 (fifteen) Directors on the Board of the Company.

Currently, our Company has 10 (ten) Directors out of which 5 (five) are Independent Directors. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India. The following table sets forth certain details regarding the Board of Directors as on date of this Draft Letter of Offer:

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age (years)	Other Directorships
1.	Mr. Mahesh Swarup Agarwal Address: “Raghushree” 4/283/2, Vishnupuri Kanpur - 208 002, Uttar Pradesh, India Designation: Chairman Emeritus and Non – Executive Director Occupation: Business DIN: 00550799 Term: Liable to retire by rotation Nationality: Indian	90	1. KPL Packaging Private Limited 2. MSA Investment And Trading Company Private Limited 3. KSM Exports Limited
2.	Mr. Manoj Agarwal Address: “Raghushree” 4/283/2, Vishnupuri Kanpur - 208 002, Uttar Pradesh, India Designation: Managing Director Occupation: Business DIN: 00474146 Term: For a period of 3 years from September 01, 2017 to August 31, 2020* Nationality: Indian	62	1. KPL Packaging Private Limited 2. The Plastics Export Promotion Council 3. MSA Investment And Trading Company Private Limited 4. KSM Exports Limited 5. Indian Flexible Intermediate Bulk Container Association
3.	Mr. Shashank Agarwal Address: “Raghushree” 4/283/2, Vishnupuri Kanpur - 208 002, Uttar Pradesh, India Designation: Deputy Managing Director Occupation: Business DIN: 02790029 Term: For a period of 3 years from September 01, 2015 to August 31, 2018 Nationality: Indian	29	1. KPL Packaging Private Limited 2. MSA Investment And Trading Company Private Limited 3. KSM Exports Limited
4.	Ms. Usha Agarwal Address: “Raghushree” 4/283/2, Vishnupuri Kanpur - 208 002, Uttar Pradesh, India Designation: Director Occupation: Business DIN: 00997099 Term: Liable to retire by rotation Nationality: Indian	59	1. KPL Packaging Private Limited 2. MSA Investment And Trading Company Private Limited
5.	Mr. Sunil Mehta Address: 601, Kalpna Tower 03/16A, Vishnu Puri Kanpur - 208 002, Uttar Pradesh, India Designation: Executive Director Occupation: Business DIN: 03422673 Term: For a period of 5 years from September	56	1. KSM Exports Limited

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age (years)	Other Directorships
	01, 2014 to August 31, 2019 Nationality: Indian		
6.	Mr. Sobhagya Mal Jain Address: House Number 475, Sector-14 Gurgaon - 122 001, Haryana, India Designation: Non-executive Independent Director Occupation: Professional DIN: 00542598 Term: For a period of 5 years from September 10, 2014 upto March 31, 2019 Nationality: Indian	79	-
7.	Mr. Prem S. Khamesra Address: A-61, Sector 30 Noida - 201 301, Uttar Pradesh, India Designation: Non-executive Independent Director Occupation: Professional DIN: 00049162 Term: For a period of 5 years from September 10, 2014 upto March 31, 2019 Nationality: Indian	61	1. Bajna Agrofarms Private Limited 2. Specialities Aluminium Grills Private Limited 3. M.S. Khamesra and Associates Private Limited 4. Vaishno Infotech Private Limited. 5. BE Shiro Infra Private Limited
8.	Mr. Subodh Kumar Address: 3/217 Vishnupuri, Nawabganj, Kanpur, - 208 002, Uttar Pradesh, India Designation: Non-executive Independent Director Occupation: Professional DIN: 06933864 Term: For a period of 5 years from September 10, 2014 upto March 31, 2019 Nationality: Indian	68	-
9.	Dr. Ram Gopal Bagla Address: O-9 Jaykaylon Colony Kamla Nagar, Kanpur - 208 005, Uttar Pradesh, India Designation: Non-executive Independent Director Occupation: Professional DIN: 00135348 Term: For a period of 5 years from August 13, 2015 upto March 31, 2020 Nationality: Indian	78	-
10.	Mr. Akshay Kumar Gupta Address: 10/437, Khalasi Line, Kanpur - 208 001, Uttar Pradesh, India Designation: Non-executive Independent Director (Additional) Occupation: Professional DIN: 00004908 Term: For a period of 5 years from September 15, 2016 upto March 31, 2021 Nationality: Indian	59	1. Kapareva Development Private Limited 2. Mani Infraconsultancy Limited

**Mr. Manoj Agarwal was re-appointed as Managing Director of the Company, not liable to retire by rotation, for a period of three years with effect from September 1, 2017 to August 31, 2020 by Board of Directors at its meeting held on July 31, 2017, subject to approval of shareholders at the ensuing Annual General Meeting of the Company.*

Relationship between Directors

Except stated below, none of our directors are related to each other:

Sr. No.	Name of Director	Relationship with other Directors
1.	Mr. Mahesh Swarup Agarwal	Father of Mr. Manoj Agarwal
2.	Mr. Manoj Agarwal	Son of Mr. Mahesh Swarup Agarwal, Spouse of Ms. Usha Agarwal and Father of Shashank Agarwal
3.	Ms. Usha Agarwal	Spouse of Mr. Manoj Agarwal, Mother of Mr. Shashank Agarwal and Daughter in-law of Mr. Mahesh Swarup Agarwal
4.	Mr. Shashank Agarwal	Son of Mr. Manoj Agarwal and Ms. Usha Agarwal

Brief Profiles of Directors

Mr. Mahesh Swarup Agarwal, aged 90 years, is a Bachelor of Arts from Allahabad University and guiding the operations of our Company for the past 46 years. In September 2012, he was designated as Chairman Emeritus of our Company for life. He was the President of Merchants Chamber of Uttar Pradesh in 2004-05 and was awarded the 'President's Salute' by the Rotary International President for his outstanding contribution to community service, in 1991. He was also Founder President of Plastic Woven Sacks Manufacturers Association (All India) from 1986 to 1988 and also President of Panki Industry Association from 1976 to 1986. He has been honored with the prestigious 'Lifetime Achievement Award' from the All India Flat Tape Manufacturer Association and TiE UP.

Mr. Manoj Agarwal, aged 62 years, holds a Masters in Management Studies from Birla Institute of Technology and Science, Pilani and has been guiding the operations over 39 years. He is Managing Director of the Company and looks after Export, Marketing, Administration and General Management function of our Company. He has formerly been the Chairman of the Plastics Export Promotion Council and past President of Indian Flexible Intermediate Bulk Container Association

Mr. Shashank Agarwal, aged 29 years, has graduated in Manufacturing Engineering and Management from the University of Nottingham, United Kingdom. He is designated as the Deputy Managing Director of our Company and has been instrumental in streamlining the Company's operations with backward integration and product diversification.

Ms. Usha Agarwal, aged 59 years, is the woman Director of our Company. She holds an Honors Graduate in Botany from the University of Calcutta and has gained experience in administration. She has also contributed actively in the marketing for about six years and her vast expertise and knowledge has been beneficial for the growth of the Company.

Mr. Sunil Mehta, aged 56 years, has completed B. Tech (Textile Technology) from The Technological Institute of Textile & Sciences, Bhiwani, Haryana and has over 25 years of experience in the woven sacks industry. He joined the Company in the year 2002 as Vice President, since then, he has been looking after the manufacturing operations of our Company.

Mr. Sobhagya Mal Jain, aged 79 years, is a member of The Institute of Cost Accountants of India (ICMAI). He has a versatile experience of 45 years in the field of Finance and Management level. He was the Finance Director and Chairman and Managing Director at Fertilizers and Chemicals Travancore Limited and Finance Director of Indian Farmers Fertilizers Cooperative Limited, Delhi. He retired as Chairman and Managing Director of Paradeep Phosphates Limited in the year 1996. He joined our Company in 1999 as an independent director and presently provides his valuable guidance and support in designing and laying down financials management policies and decisions in our Company.

Mr. Prem S. Khamesra, aged 61 years, is a member of The Institute of Chartered Accountants of India (ICAI). He is the founding partner of Khamesra Bhatia & Mehrotra and has practiced for 26 years as a Chartered Accountant, providing financial consultancy to businesses. He was a Government nominee on the Board of UP Financial Corporation during 2002-03 and was a Director - Finance of Mirza International Limited from 2005 to 2008.

Mr. Subodh Kumar, aged 68 years, is an Engineering Graduate (Honors) from Birla Institute of Technology, Mesra, Ranchi and has over 30 years of rich experience in the field of technology, research and development, new product induction, setting up ancillary units and quality control. He is a retired Executive Director of LML Limited and has also worked with Eicher Tractor Limited and JK Synthetics Limited.

Dr. Ram Gopal Bagla, aged 78 years, 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 has formerly been the 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.

Mr. Akshay Kumar Gupta, aged 59 years, 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. He has formerly been the President of the Kanpur Chartered Accountants Society, member of Fiscal Law Committee of Merchants Chambers of Uttar Pradesh, Member of Funds Management Committee of Indian Institute of Technology, Kanpur. He has a number of technical articles and publications to his credit.

Confirmations

None of the Directors is or was a director of any listed company in India during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the BSE Limited and the NSE during the term of their directorship in such company.

Further, none of the Directors is or was a director of any listed company, which has been or was delisted from any recognized stock exchange(s) in India during the term of their directorship in such company.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors have been appointed in the Board.

Details of Service Contracts for providing benefits upon termination

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page Number
Audited Financial Statements for the Financial Year ended March 31, 2017	72 to 100



Independent Auditor's Report

To the Members of Kanpur Plastipack Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its Cash Flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

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

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

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

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

(e) on the basis of the written representations received from the Directors, taken on record by the Board of Directors as on 29th May, 2017, none of the director is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

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

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

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



Pandey & Co.

Chartered Accountants

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

For, PANDEY & CO.

Chartered Accountants

CA AMIT PANDEY

(Partner)

Membership No.402377

Firm No. 000357C

Place: KANPUR

Date: 29th May, 2017



'Annexure - A' to the Auditor's Report

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

(i) In respect of its Fixed Assets.

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

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

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

(ii) In respect of its Inventories:

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

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

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

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

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

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

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



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(vii) In respect of statutory dues:

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

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

Name of the statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending	Remark on whether amount deposited or not.
Central Excise	Rebate claims	Rs.28.9	Financial year 2012-13 and 2013-14	Joint Secretary, New Delhi	Claim received. Departmental appeal pending.
Central Excise	Service tax on Common input service against exempted goods	Rs.41.78	Financial year 2009-10 to 2012-13	Commissioner Appeal, Kanpur	Not deposited. Departmental appeal pending.
Central sales Tax Act, 1956	Additional Tax	Rs.3.52	Financial year 2009-10	Appellate Tribunal Commercial Tax, Kanpur	20% deposited.
Income Tax Act, 1961	Income Tax	Rs.201.00; Income disputed. NIL Demand. Outstanding tax deposited under protest.	Financial year 2011-12	ITAT, Lucknow	Tax deposited under protest.
Income Tax Act, 1961	Penalty U/S 271(AAA)	200.00; out of above disputed income penalty proceedings initiated and pending on Rs. 200 lacs	Financial year 2011-12	ACIT Central Circle, Kanpur	



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

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

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

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

XII. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

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

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

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

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

For, PANDEY & CO.

Chartered Accountants

CA AMIT PANDEY

(Partner)

Membership No.402377

Firm No. 000357C

Place: KANPUR

Date: 29th May, 2017

**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Kanpur Plastipack Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



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(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, PANDEY & CO.

Chartered Accountants

CA AMIT PANDEY

(Partner)

Membership No.402377

Firm No. 000357C

Place: KANPUR

Date: 29th May, 2017



KANPUR PLASTIPACK LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in Lacs)

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

III. Significant Accounting Policies and Notes to Accounts

1 to 26

As per our report of even date attached
For PANDEY & COMPANY
Chartered Accountants

AMIT PANDEY
Partner
Membership No 402377
Firm Regn No 000357C



ARVIND GUNJAN
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

KANPUR
Dated : 29th May'2017



(₹ in Lacs)

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

As per our report of even date attached
For PANDEY & COMPANY
Chartered Accountants

AMIT PANDEY
Partner
Membership No 402377
Firm Regn No 000357C



KANPUR
Dated : 29th May'2017

ARVIND GUNJAN
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

KANPUR PLASTIPACK LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

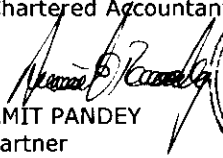


(₹ in Lacs)


Particulars	2016-2017	2015-2016
CASH FLOW FROM OPERATING ACTIVITIES:	2,279.43	2,576.12
Profit before Tax and extraordinary items		
Adjustments for:		
Depreciation	418.86	411.36
(Profit) / Loss on Sale of Fixed Assets	39.91	17.31
Interest Received	(112.13)	(114.71)
Finance Cost	649.93	765.61
Operating Profit before working capital changes	3,276.00	3,655.69
Adjustments for:		
Trade and Other Receivables	(578.86)	(914.97)
Inventories	(1,082.68)	363.05
Trade Payables, Other Liabilities & Provisions	(112.81)	102.58
Cash Generated from operations	1,501.65	3,206.36
Income Tax (excl. Deferred Tax)	(788.05)	(798.70)
Cash Flow before extraordinary items	713.60	2,407.66
Extraordinary Items	-	-
Net cash from operating activities	713.60	2,407.66
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(842.94)	(867.48)
Sale/Adjustment of Fixed Assets	65.56	130.15
Acquisition of Companies	-	-
Purchase of Investments	(607.62)	-
Sale/Adjustment of Investments	(0.27)	(0.54)
Interest Received	112.13	114.71
Dividend Received	-	-
Profit / (Loss) on Sale of Fixed Assets	(39.91)	(17.31)
Net Cash used in Investing activities	(1,313.05)	(640.47)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share Capital	-	-
alloted as Bonus shares (Right Issue)	-	-
Decrease in General Reserve	-	-
Utilisation for issue of Equity Shares	-	-
(Increase)/Decrease in Foreign Currency Monetary Item	-	8.91
Translation Difference Account	-	-
Proceeds from Long Term Borrowings		
a) Secured (Bank / Institutions)		
For Working Capital	1,739.04	(287.74)
For Fixed Assets	(242.17)	(484.91)
b) Unsecured	(649.93)	(765.61)
Finance Cost	(258.82)	(287.25)
Dividend Paid / Proposed (incl. Dividend Tax)		
Net Cash used in Financing Activities	588.12	(1,816.60)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(11.33)	(49.41)
Cash and Cash Equivalents as at 31.03.2016 (Opening Balance)	105.80	155.21
Cash and Cash Equivalents as at 31.03.2017 (Closing Balance)	94.47	105.80
	11.33	49.41



As per our report of even date attached
For PANDEY & COMPANY
Chartered Accountants

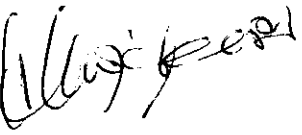

AMIT PANDEY
Partner
Membership No 402377
Firm Regn No 000357C

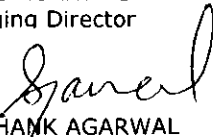



ARVIND GUNJAN
Chief Financial Officer


ANKUR SRIVASTAVA
Company Secretary

For and on behalf of the
Board of Directors


MANOJ AGARWAL
Managing Director


SHASHANK AGARWAL
Deputy Managing Director



KANPUR
Dated : 29th May'2017

KANPUR PLASTIPACK LIMITED
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017


Particulars	(₹ in Lacs)	
	As at 31st March 2017	As at 31st March 2016
NOTE - 2		
SHARE CAPITAL		
1 Authorised Capital		
(in Lacs) 200.00 Equity Shares of ₹ 10/- each (Previous Year (in Lacs) 160.00 Equity Shares of ₹ 10/- each)	2,000.00	1,600.00
(in Lacs) 20.00 Preference Shares of ₹ 10/- each (Previous Year (in Lacs) 40.00 Equity Shares of ₹ 10/- each)	200.00	400.00
	2,200.00	2,000.00
2 Issued, Subscribed and Paid-up Capital		
(in Lacs) 119.39 (Previous year (in Lacs) 79.59) Equity Shares of Rs. 10/- each each fully paid up		
a. Opening of Equity Shares	795.92	795.92
Add : Bonus Shares	397.96	-
	1,193.88	795.92
b. (in Lacs) 20.00 (Previous year (in Lacs) 20.00) 12% Redeemable Cumulative Preference Shares of Rs. 10/- each fully paid up.	200.00	200.00
	1,393.88	995.92
NOTE - 3		
RESERVES AND SURPLUS		
1 General Reserve		
- Opening Balance	324.33	294.33
- Add : Transferred from statement of profit & loss		30.00
- Closing Balance	324.33	324.33
2 Surplus in Statement of Profit and Loss		
(a) Opening Balance	5,737.28	4,336.74
(b) Add: Profit for the Year	1,427.08	1,645.58
(c) Add: Taxes for Earlier Years	(15.05)	(13.70)
	7,149.31	5,968.62
6 Less :Appropriation		
(i) Transferred To General Reserves	-	30.00
(ii) Issue of Bonus Shares from Previous Year Surplus	397.96	-
(iii) Interim Dividend on Equity Shares for the Year (Amount per Equity Share Rs. NIL, Previous Year Rs. 1.20/-)	-	95.51
(iv) Proposed Final Dividend on Equity Shares for the Year (Amount per share Rs. 1.80/-, Previous Year Rs. 0.60/- per Equity Share)	214.90	47.76
(v) Dividend paid on Preference Shares for the Year (Current Year Rs. NIL, Previous Year 12% on Rs. 200 Lacs)	-	24.00
(vi) Proposed Dividend on Preference Shares (Current Year 12% p.a. on Rs. 200.00 lacs, Previous Year NIL)	24.00	-
(vii) Tax on Dividend on Equity Shares	43.75	29.17
(viii) Tax on Dividend on Preference Shares	4.90	4.90
	685.51	231.34
	6,463.80	5,737.28
	6,788.13	6,061.61

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





KANPUR PLASTIPACK LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Particulars	(₹ in Lacs)	
	As at 31st March 2017	As at 31st March 2016

NOTE - 4

LONG TERM BORROWINGS

Secured Loans

1 Term Loans	1,024.22	1,169.93
2 Vehicle Finance under Hire purchase	45.94	32.40
	<u>1,070.16</u>	<u>1,202.33</u>

Unsecured Loans

1 Deposits	109.00	219.00
2 Inter Corporate Deposits	75.00	75.00
	<u>184.00</u>	<u>294.00</u>
	<u>1,254.16</u>	<u>1,496.33</u>

- 4.1 Term Loans from State Bank Of India in INR . Balance Outstanding is (₹ in Lacs) 1024.22 . (₹ in Lacs) (Previous Year 1169.93).
- 4.2 The above Term Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, Spares, Book Debts, Export Documents and mortgage of Fixed Assets)
- 4.3 The above Term Loans have been guaranteed (personal) by Chairman Emeritus, Managing Director and Deputy Managing Director of the Company.
- 4.4 Vehicle Finance under Hire purchase is Secured by Hypothecation of Vehicle and are repayable over a period of 5 Years. Total No. of Lease payments at the Balance Sheet date are as under :
- (i) not later than 1 Year (Shown under Current Maturity Rs. 22.89 Lacs)
- (ii) Later than 1 Year and not later than 5 Years (Rs. 45.94 Lacs).
- (iii) Later than 5 Year is Rs. NIL.
- 4.5 Outstanding Unsecured Deposits amounting to (₹ in Lacs) 109.00 (Previous year (₹ in Lacs) 219.00 and is for 3 Years and Interest Rate is 12.5%.
- 4.6 Outstanding Unsecured Inter Corporate Deposits (₹ in Lacs) 75.00 (Previous year (₹ in Lacs) 75.00) and is for 3 Years and Interest Rate is 12.5%.

NOTE - 5

DEFERRED TAX LIABILITY (Net)

1 Deferred Tax Liabilities		
Depreciation and amortisation	1,047.07	946.26
2 Deferred Tax Assets		
Employee benefits	(226.81)	(205.35)
	<u>820.26</u>	<u>740.91</u>

NOTE - 6

LONG TERM PROVISIONS

1 Provision for Employee Benefits (Gratuity)	469.23	437.80
	<u>469.23</u>	<u>437.80</u>





KANPUR PLASTIPACK LIMITED
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2017

Particulars	(₹ in Lacs)	
	As at 31st March 2017	As at 31st March 2016

NOTE - 7

SHORT-TERM BORROWINGS

Secured Loans

1	Working Capital Loans in INR	6,073.87	4,334.83
		6,073.87	4,334.83
7.1	Working Capital Loans from State Bank of India in INR in Cash Credit (Hypo) , Export Packing Credit & Cash Credit(Book Debts) , Balance Outstanding (₹ in Lacs) 3335.23 (previous year (₹ in Lacs) 1622.42).		
7.2	Working Capital Loan from State Bank of India in INR in Export Bill Purchase, Balance Outstanding (₹ in Lacs) 2372.76 (previous year (₹ in Lacs) 2318.35).		
7.3	Working Capital Loans in INR from State Bank of India in Cash Credit Limits under E-DFS Scheme , Balance Outstanding of (₹ in Lacs) 365.88 (previous year (₹ in Lacs) 394.06) Consignment Stockist (IOCL) Division.		
7.4	The above Working Capital Loans are secured by hypothecation of stocks of Raw Materials, Goods in Process, Finished Goods, Spares,Book Debts, Export Documents and mortgage of Fixed Assets.		
7.5	The above Working Capital Loans have been guaranteed (Personal) by Chairman Emeritus, Managing Director and Deputy Managing Director.		

NOTE - 8

TRADE PAYABLES

1	Trade Payable for purchase of Raw Material & Store,Spares	299.98	353.21
2	Trade Payable for Services Received	182.86	245.48
		482.84	598.69
8.1	(Including (Rs.in Lacs) 19.54 (Previous Year Rs. 249.58 in Lacs)of Consignment Stockist (IOCL) Division.		
8.2	Trade Payable for Materiell/Supplies includes ₹ in Lacs NIL (previous year (₹ in Lacs) NIL) due to Micro, Small and Medium Enterprises.		

NOTE - 9

OTHER CURRENT LIABILITIES

Current Maturities of :			
1	Long Term Debt	710.00	675.00
2	Finance Lease Obligations on vehicle	22.89	21.00
3	Finance Lease Obligations to UPSIDC Ltd.	-	8.52
4	Deposits	63.00	13.00
Others:			
1	TDS Payable	11.96	18.25
2	Unpaid Dividend	40.35	48.70
3	Unpaid-salary & wages	142.79	92.89
4	Outstanding Liabilities	360.05	246.39
		1,351.04	1,123.85

NOTE - 10

SHORT-TERM PROVISIONS

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





Kanpur Plastipack Limited

Fixed Assets & Depreciation

(Rs. in Lacs)

Name of Assets	Gross Block				Depreciation			Net Block	
	Opening 01-04-2016	Adj. /sales during the year	Additions during the year	Total as at 31/03/2017	Up to 31.03.2016	Adj. during the year	Dep. for the period	Total up to 31.03.2017	As at 31.03.2017 As at 31.03.2016
Land (Lease hold)	468.56	-	-	468.56	44.75	-	4.82	49.57	418.99
Land (Freehold)	401.90	-	260.78	662.68	-	-	-	-	662.68
Building	1,437.32	-	155.42	1,592.74	388.48	-	45.19	433.67	1,159.07
Plant & Machinery	6,108.67	78.65	358.20	6,388.22	1,729.73	19.86	272.88	1,982.75	4,405.47
Plant & Machinery (Solar)	316.91	-	-	316.91	10.84	-	12.14	22.98	293.93
Electric installations	367.93	1.18	3.38	370.13	139.22	1.06	39.77	177.93	192.20
Furniture & fixtures	75.68	0.83	14.54	89.39	41.75	0.83	5.48	46.40	42.99
Office Equipment	279.89	-	16.30	296.19	249.75	-	20.43	270.18	26.01
Vehicles	161.54	24.89	34.32	170.97	52.07	18.24	18.15	51.98	118.99
Total	9,618.40	105.55	842.94	10,355.79	2,656.59	39.99	418.86	3,035.46	7,320.33
Previous year figures	8,905.71	154.79	867.48	9,618.40	2,269.87	24.64	411.36	2,656.59	6,961.80
									6,635.84



(₹ in Lacs)

Particula	As at 31 st March, 2017	As at 31 st March, 2016
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NOTE - 12

NON-CURRENT INVESTMENTS

A. Investment in Property

Unquoted

Share in Property of Mahindra Holidays and Resorts India Ltd.

6.09 6.36

6.09 6.36

(₹ in Lacs) 6.09 (previous year (Rs. In Lacs) 6.36) invested in

Membership for full use of all club services and facilities of Mahindra

Holidays and Resorts India Limited. (Period 01st May' 2014 to 30th April'2039)

(Amortised Membership Fees during the life i.e 25 Years)

NOTE - 13

LONG TERM LOANS AND ADVANCES

1 Capital Advance / Assets

(a) Unsecured, Considered Good

(i) Capital Work in Progress

296.92 152.01

(b) Secured, Considered Good :

(c) Doubtful

- -

296.92 152.01

2 Security Deposit

(a) Secured, Considered Good :

(i) Other Deposit

- Stamp Duty paid Under Protest

31.52 31.52

- Interest accrued on Security deposit.

13.37 24.75

- Security Deposits to Govt. & Others

188.37 191.47

233.26 247.74

(b) Unsecured, Considered Good

(c) Doubtful

- -

233.26 247.74

530.18 399.75

NOTE - 14

OTHER NON-CURRENT ASSETS

1 Miscellaneous Expenses(to the extent not written off)

2 Unclaimed Dividend

- 7.23

40.35 48.70

40.35 55.93

NOTE - 15

CURRENT INVESTMENT

1 Investment in Fixed Deposits

(Shri Ram Transport Finance Company Limited)

100.00 -

2 Investment in Mutual Fund's

507.62 -

607.62 -

NOTE - 16

INVENTORIES

1 Raw Material

1,812.45 1,251.42

2 Raw Material (in Transit)

245.20 139.40

3 Goods -in-Process

1,489.08 1,114.74

4 Finished Goods

216.63 132.40

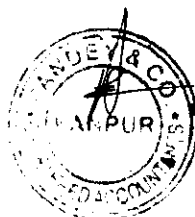
5 Stores & Spares/ Others

222.71 236.91

6 Jigs and Fixtures

- 28.52

3,986.07 2,903.39





(₹ in Lacs)

Particula	As at 31 st March, 2017	As at 31 st March, 2016
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NOTE - 17**TRADE RECEIVABLES**

1 Outstanding for more than six months:		
Considered good	0.17	0.34
Considered Doubtful	-	19.72
2 Others: Considered good	5,202.76	4,428.99
(Including (Rs. in Lacs) 403.44 of Consignment Stockist Division (previous year (₹ in Lacs) 658.28)		
	<u>5,202.93</u>	<u>4,449.05</u>
Of the above, amounts:		
(a) Secured, considered good (₹ Nil, Previous Year Rs. NIL)		
(b) Unsecured, considered good (₹ 5202.93 lacs, Previous year Rs. 4449.05 lacs)		

NOTE - 18**CASH AND BANK BALANCES**

1 Cash in hand	3.19	4.06
2 Balances with scheduled banks		
(i) in current accounts	12.92	28.99
(ii) in Fixed Deposit (Margin Money for Bank Guarantee/Letter of Credit)	78.36	72.75
	<u>94.47</u>	<u>105.80</u>

NOTE - 19**SHORT-TERM LOANS AND ADVANCES (UNSECURED)**

(Unsecured and Considered Good)

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





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

NOTE - 21**OTHER INCOME**

(i) Miscellaneous income	1.52	4.20
(ii) Interest Receipts	112.13	114.71
(iii) Profit on Sale of Investment	10.89	-
	<u>124.54</u>	<u>118.91</u>

NOTE - 22**CONSUMPTION OF MATERIALS**

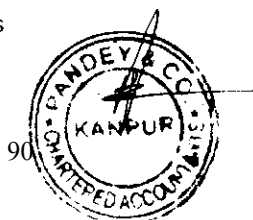
Opening Stock :		
Raw Materials	1,251.42	1,220.00
Add : Purchases	13,954.58	13,599.17
Less : Closing Stock	1,812.45	1,251.42
Materials Consumed	<u>13,393.55</u>	<u>13,567.75</u>

NOTE - 23**(INCREASE) DECREASE IN STOCK**

Opening Stock :		
Goods in Process	1,114.74	1,330.60
Finished Goods	132.40	232.47
Less : Closing Stock		
Goods in Process	1,489.08	1,114.74
Finished Goods	216.63	132.40
(Increase) Decrease in Stock	<u>(458.57)</u>	<u>315.91</u>

NOTE - 24**EMPLOYEE BENEFITS EXPENSES**

(i) Salaries, Wages, Bonus & Others	1,637.02	1,093.37
(ii) Contribution to Provident and other Funds	151.59	132.37
(iii) Gratuity	61.83	82.75
(iv) Staff welfare expenses	130.50	61.53
(v) Directors' Remuneration	116.98	106.24
(vi) Directors' Commission	90.65	103.75
	<u>2,188.57</u>	<u>1,580.01</u>





Particulars	2016-2017	2015-2016
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NOTE - 25**FINANCE COSTS**

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

NOTE - 26**OTHER EXPENSES****(a) MANUFACTURING EXPENSES**

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

(b) SELLING AND DISTRIBUTION EXPENSES

(i) Payroll of Sales and Marketing Persons		
: Salaries, wages and bonus	73.28	56.10
: Contribution to provident and other funds	5.96	4.39
: Travelling and entertainment	15.82	16.44
(ii) Advertisement	3.74	5.68
(iii) Commission on Sales (Export)	137.41	67.23
(iv) Sales Promotion	25.10	22.84
(v) Carriage Outward(Incl.Sea Freight)	971.51	840.81
(vi) Loading & Unloading	48.55	39.23
(vii) Rejection & Shortage on Sales	0.44	5.92
(viii) Quality Claim Expenses	22.80	25.68
(ix) Discount on Sales	2.80	4.77
(x) Trade Tax	166.92	156.51
(xi) Detention / Demurrage Charges	0.13	0.18
(xii) Bad Debts written off	30.03	-
(xiii) Provision for Bad and Doubtful Debts	-	5.88
	1,504.49	1,251.66

(c) ESTABLISHMENT EXPENSES

(i) Travelling and conveyance	18.51	12.61
(ii) Directors' Travelling(Incl.Foreign Travel)	28.29	44.09
(iii) Printing and Stationery/ Books and Periodicals	25.52	21.10
(iv) Vehicle Maintenance	21.13	21.69
(v) Rent	62.77	52.74
(vi) Rates and taxes	31.10	22.75
(vii) Corporate Social Responsibility	40.00	31.95
(viii) Communication Expenses	37.84	38.35
Auditors' Remuneration		
: Audit Fees	1.10	1.10
: Tax & Vat Audit Fees	0.60	0.60
: Management Services	1.60	1.60
(ix) Subscription and Memberships	4.61	8.98
(x) Insurance Expenses	48.28	42.19
(xi) Meeting ,Recruitment & Training Expenses	29.72	13.39
(xii) Miscellaneous/Other expenses	4.78	6.82
(xiii) Service Tax Expenses	26.70	13.16
(xiv) Donation	0.26	0.92
(xv) Legal and professional expenses	98.08	128.71
(xvi) Repairs and maintenance		
: Buildings	24.02	58.84
: Office & Computer equipments	15.67	17.14
(xvii) Honorarium to Chairman Emeritus	24.00	24.00
(xviii) Directors' Sitting Fees	3.98	4.01
(xx) Expenses Relating to Earlier Year	1.35	(3.54)
(xxi) Right issue Expenses written off	7.23	1.45
(xxii) Loss on sale of Fixed Assets (Non trade)	39.91	17.31
	597.05	581.96



1. Notes forming part of Financial Statements for the year ended

31st March 2017

A. Corporate information

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

B. Significant accounting policies :

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

B.1 Basis of preparation of standalone financial statements:

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

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

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

B.2 Use of Estimates :

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





B.3 Inventories :

Inventories are valued as under

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

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

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

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

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

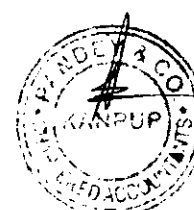
Cash comprises Cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

B.6 Cash flow statement :

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

B.7 Tangible Fixed Assets

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





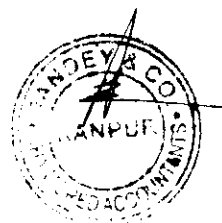
- B.8 Capital work-in-progress**
Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- B.9 Intangible assets** are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.
- B.10 Depreciation and amortization**

Depreciation has been provided on the straight-line method as per the useful lives prescribed in Part - C of Schedule II to the Companies Act, 2013
- B.11 Revenue Recognition**
- a. **Sale of Goods**

Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised gross of excise duty but net of sales tax and value added tax.
- b. **Other income**
Other income is accounted on accrual basis.
- B.12 Investments**
Non-current investments are stated at cost less other than temporary diminution in the value of such investments, if any.
- B.13 Employee benefits**
Long Term Benefits
- a) The gratuity liability is a defined obligation plan and is provided in accordance with the provisions of the Payment of Gratuity Act, 1972.
- b) Retirement benefits in the form of Provident Fund/Pension Scheme are defined contribution scheme and the contributions are charged to Profit & Loss Account of the year when contribution to the respective funds are due. There are no other obligations other than the contribution payable to the respective statutory authorities.
- B.14 Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying fixed assets are capitalized, net of income earned on temporary investments of borrowings, by applying weighted average rate for eligible period. Other borrowing costs are charged to Profit and Loss Account.
- Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.
- B.15 Earnings per share**

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



B.16 Taxes on income

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

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

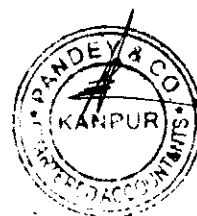
Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially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

B.17 Impairment of assets

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

B.18 Provisions and Contingencies

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





B.19 Government Grants

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

C Share Capital

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

	As at 31.03.2017		As at 31.03.2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Mahesh Swarup Agarwal	1900680	15.92%	12,67,120	15.92%
Usha Agarwal	1482471	12.42%	9,88,314	12.42%
Manoj Agarwal	914818	7.66%	6,09,879	7.66%
MSA Investments & Trading	748012	6.27%	4,98,675	6.27%
Shashank Agarwal	707485	5.93%	4,71,657	5.93%
KSM Exports Limited	627862	5.26%	4,18,575	5.26%

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

D. Corporate Social Responsibility :

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

E. Contingent Liabilities :

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

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

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



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



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

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

H. Expenditure in Foreign Currency on FOB basis : (₹ In Lacs)

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

I. Earnings in Foreign Currency on FOB basis : (₹ In Lacs)

	2016-17	2015-16
Export of Goods	19391.02	19788.83

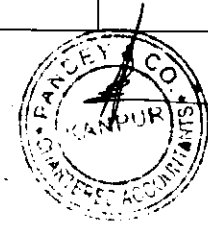
J. Segment Reporting

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

Information about Primary Segments :

(₹. in Lacs)

Particulars	Manufacturing Operations		Consignment Stockiest		Solar Power Division		Total Operations	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1. Segment Revenue	24492.94	24771.96	141.71	161.76	41.25	29.06	24675.94	24980.09
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Sales/Income from Operations	24492.94	24771.96	141.71	161.76	41.25	29.06	24675.94	24980.09



2. Segment Results (Profit Before Tax and Interest)	2826.16	3210.03	76.69	113.67	26.51	18.03	2929.36	3341.74
Less : Unallocated Interest Finance Charges	619.78	713.70	23.81	45.03	6.34	6.88	649.93	765.61
Add : Other Unallowable income	-	-	-	-	-	-	-	-
Net of unallowable expenditure	-	-	-	-	-	-	-	-
Total Profit before tax	2206.38	2496.33	52.88	68.64	20.17	11.16	2279.43	2576.13
3. Capital Employed(Segment Assets - Segment Liabilities)							8182.01	7057.53
4.Segment Assets(separate for solar division)							294.17	306.34
5.Depreciation(solar division)							12.18	8.50

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

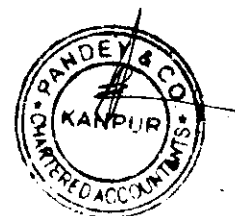
(₹ in Lacs)

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

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

(₹ in Lacs)

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



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



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

(A) Details of Associate Companies

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

(B) Details of Key Management Personnel & their relatives

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

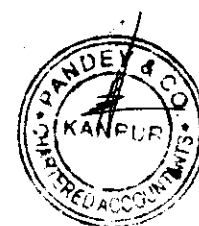
Details of Transactions Nature

(₹ in Lacs)

		Associates Companies		Director's & their Relatives	
		31/03/2017	31/03/2016	31/03/2017	31/03/2016
1	Remuneration/Others	-	-	229.31	232.87
2	Interest on Deposits	9.38	9.38	24.68	35.64
3	Outstanding Fixed Deposits	75.00	75.00	172.00	232
4	Rent Paid	17.24	15.73	3.60	3.60
5	Rent Received	0.60	0.60	-	-
6	Sales- Plastic Products	51.99	46.52	-	-

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

Particulars	As at 31.03.2017	As at 31.03.2016
Net Profit after Tax (As per Profit/ Loss Account after adjustment for preference dividend and Tax thereon)	1399.09	1616.69
Number of fully paid up equity share of Rs. 10/- each	119.39	79.59
Weighted average number of shares outstanding	119.39	79.59
Basic and Diluted Earning per Share	11.72	13.54





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

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

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

As per our report of even date attached

For PANDEY & COMPANY

Chartered Accountants

For and on behalf of the

Board of Directors


AMIT PANDEY

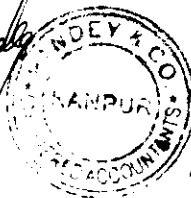
Partner


Membership No 402377

Firm Regn No 000357C

KANPUR

Dated : 29/05/2017

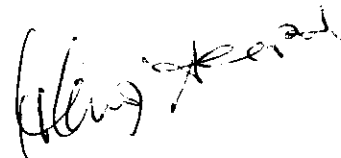



ARVIND GUNJAN

Chief Financial Officer


ANKUR SRIVASTAVA

Company Secretary



MANOJ AGARWAL

Managing Director


SHASHANK AGARWAL

Deputy Managing Director

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

Accounting Ratios

The following table presents certain accounting and other ratios on basis derived from our audited financial statements included in the section titled “Financial Information” beginning on page 71 of this Draft Letter of Offer.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (₹)	11.71	20.31*
(b) Diluted Earnings Per Share (after extraordinary items) (₹)	11.71	20.31*
Return on Net Worth (after extraordinary items and excluding revaluation reserves)	17.88%	24.00%
Net Asset Value/Book Value per Equity Share each (after excluding revaluation reserves) (₹)	66.86	86.16

*Considering number of equity shares outstanding as on March 31, 2016, i.e. 79.59 Lakh Equity Shares.

The ratios have been computed as under:

Basic Earnings Per Share	Net Profit After Tax / Number of Equity Shares
Return on Net Worth (%)	Net Profit after tax / Equity Shareholder's Funds
Net Asset Value Per Share	Equity Shareholder's Funds / Number of Equity Shares (outstanding at the end of the period)

Capitalisation Statement:

The statement on our capitalisation is as set out below:

(₹ in Lakh)		
Particulars	Pre Issue as at March 31, 2017	Post Issue [#]
Borrowings		
Short Term Debt	1,254.16	[●]
Current Maturities of Long term Debt	710.00	[●]
Long Term Debt (A)	6,073.87	[●]
Total Debt (B)	8,038.03	[●]
		[●]
Shareholder's Fund		[●]
Equity Share Capital	1,393.88	[●]
Reserves & Surplus	6,788.13	[●]
Total Shareholder's Fund	8,182.01	[●]
Total Equity Shareholder's Fund (C)	7,982.01	[●]
Long Term Debt/Equity Ratio (A/C)	0.76	[●]
Total Debt/Equity Ratio (B/C)	1.01	[●]

[#] The corresponding post Issue figures will be determined upon finalization of Issue Price

Note: As certified by M/s Pandey & Company, Chartered Accountants, vide their Certificate dated August 28, 2017.

STOCK MARKET DATA FOR EQUITY SHARES

The Equity Shares of our Company are currently listed on the BSE. As our Equity Shares are frequently traded on BSE for the preceding twelve months, as defined under ‘frequently traded shares’ of SAST Regulations, 2011, stock market data has been given for BSE.

For the purpose of this section:

- Year is a Financial Year;
- Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;
- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Year ending March 31	High (₹)	Date of High	Number of Shares traded on date of high	Low (₹)	Date of Low	Number of Shares traded on date of low	Average price for the year (₹)
Mar-17	179.85	March 28, 2017	1,39,777	90.00	November 22, 2016	7,220	129.43
Mar-16	219.00	December 22, 2015	87,165	63.30	June 15, 2015	13,137	120.23
Mar-15	104.90	February 04, 2015	51,071	30.10	May 13, 2014	2,190	56.88

(Source: www.bseindia.com)

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (₹)	Date of High	Number of Shares traded on date of high	Low (₹)	Date of Low	Number of Shares traded on date of low	Average price for the Month (₹)	Total Number of Trading Days
August 2017	128.45	August 18, 2017	12,688	112.20	August 11, 2017	10,909	118.19	21
July 2017	134.00	July 11, 2017	14,019	126.10	July 06, 2017	19,658	129.00	21
June 2017	142.95	June 14, 2017	3,615	127.30	June 07, 2017	11,507	133.95	21
May 2017	155.00	May 22, 2017	27,215	137.60	May 30, 2017	23,558	144.47	22
April 2017	173.00	April 05, 2017	36,830	143.10	April 28, 2017	19,823	158.86	18
March 2017	179.85	March 28, 2017	1,39,777	100.80	March 03, 2017	986	133.03	22

(Source: www.bseindia.com)

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The closing price of the Equity Shares as on May 26, 2017 was ₹ 141.30 on the BSE, the trading day immediately following the day on which Board of Directors approved the Issue.

Week end closing prices of the Equity Shares for the last four weeks on the BSE are as below:

Week Ended on	Closing Price (₹)	High during the week (₹)	Date of High	Low during the week (₹)	Date of Low
September 08, 2017	119.15	121.45	September 4, 2017	117.35	September 5, 2017
September 01, 2017	120.10	121.60	August 30, 2017	115.25	August 29, 2017
August 24, 2017	119.40	122.00	August 24, 2017	113.00	August 23, 2017
August 18, 2017	114.75	128.45	August 18, 2017	112.25	August 18, 2017

(Source: www.bseindia.com)

The closing market price of our Equity Shares as on September 14, 2017, the trading day immediately prior to the date of this Draft Letter of Offer, was ₹ 128.45 on BSE.

MATERIAL DEVELOPMENTS

Except as disclosed herein below, there are no material developments since March 31, 2017, which significantly affect the operations, performance, prospects or financial condition of our Company.

1. Board of Directors, in its meeting held on May 29, 2017 has approved audited financial statements for FY 2016-17 in accordance with the requirements of the SEBI Listing Regulations.
2. The Board of Directors, in its meeting held on July 31, 2017, has:
 - a. Approved audited financial statements for the quarter ended on June 30, 2017 in accordance with the requirements of the SEBI Listing Regulations.
 - b. Reappointed Mr. Manoj Agarwal as Managing Director of the Company for a period of three years with effect from September 1, 2017 to August 31, 2020, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.
3. The Board of Directors, in its meeting held on September 15, 2017 has approved redemption of 20,00,000 Redeemable Cumulative Preference Shares of ₹ 10/- each at par according to their terms of issuance.

For details, please refer the chapter titled “*Financial Statements*” beginning on page 71 of this Draft Letter of Offer.

WORKING RESULTS

In accordance with circular number F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, the information relating to the working results for the period between the last date of the financial statements and up to the end of the last but one month preceding the date of the Letter of Offer will be updated in the Letter of Offer to be filed with the Stock Exchange.

Working results of our Company for the period from April 1, 2017 to July 31, 2017 are set out below:

		(₹ in Lakh)
Sr. No.	Particulars	Amount
(i)	Sales / turnover	8757.70
(ii)	Other Income	27.82
	Total Income	8785.52
(iii)	Estimated Gross Profit / (Loss) excluding depreciation and taxes	740.14
(iv)	Provision for Depreciation	146.34
(v)	Provision for Taxation	217.00
(vi)	Estimated Net Profit / (Loss)	376.80

Material changes and commitments, if any, affecting our financial position

Except as disclosed in the chapter titled “*Material Developments*” beginning on page 104 of this Draft Letter of Offer, there are no material changes and commitments affecting the financial position of our Company.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as described below, there are no material outstanding litigations including, suits, or civil prosecutions and taxation related proceedings, which may have a material adverse effect on the operations or the financial position of our Company.

In determining whether any outstanding litigation against our Company other than litigation involving (a) moral turpitude or criminal liability, (b) material violations of statutory regulations or (c) proceedings relating to economic offences would have a material adverse effect on our business, the materiality threshold has been determined as per Clause XII sub-clause C in Part E of Schedule VIII of the SEBI ICDR Regulations, which stipulates that for the purpose of determining materiality, the following tests or parameters shall be applied:

1. *For the outstanding litigations which may not have any impact on the future revenues, the disclosure is required:*
 - a. *Where the aggregate amount involved in such individual litigation exceeds one per cent of the net worth of the issuer as per last completed financial year; or*
 - b. *Where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in single case individually may not exceed one per cent of the net worth of the issuer as per the last completed financial year.*
2. *For the outstanding litigations which may have any impact on the future revenues, the disclosure is required:*
 - a. *Where the aggregate amount involved in such individual litigation is likely to exceed one per cent of the total revenue of the issuer as per last completed financial year; or*
 - b. *Where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in single case individually may not exceed one per cent of the total revenue of the issuer, if similar cases put together collectively exceed one per cent of total revenue of the issuer as per last completed financial year.*

We have, from time to time, been involved in legal proceedings which include, inter alia, criminal proceedings filed by and against us, arising in the ordinary course of our business.

A summary of legal proceedings involving our Company, which we consider material, is set forth below:

I. Cases filed against our Company

Labour Cases

1. Our Company had issued a charge sheet dated August 20, 1983 against one of its employees, Teekam Singh, pursuant to which he was dismissed from his employment *vide* dismissal order dated September 3, 1983. Aggrieved by the order, he filed a case (257/1984) before the Labour Court and our Company filed a writ petition (10094/1989) towards maintainability of this case. The Labour Court *vide* its order dated April 22, 2004 ordered for his reinstatement along with one-fourth of the backwages to be paid by the Company. Both the parties being aggrieved with the order of the Labour Court, filed separate writ petitions, challenging the relevant parts of the order dated April 22, 2004. Our Company challenged the order in so far as it set aside the dismissal of Teekam Singh and directed payment of backwages by the Company. Whereas the employee challenged it in so far as only one-fourth of the backwages were directed to be given to him. The Hon'ble High Court *vide* its order dated May 15, 2017 ("**Order**") ordered for payment of Rs. 20 Lakh as full and final settlement of all the dues of Teekam Singh instead of reinstating him with one-fourth of the backwages. Aggrieved by the Order, our Company filed a special leave petition (020650-020651/2017) before the Hon'ble Supreme Court challenging the Order. The Hon'ble Supreme Court *vide* its order dated August 21, 2017 dismissed the petition and allowed the Company to file a revision petition before the Hon'ble High Court of Allahabad. The Company is in the process of initiating filing of such revision petition before the Hon'ble High Court of Allahabad.

2. Our Company dismissed one of its employees Babu Ram from services on September 13, 1983. Upon dismissal, Babu Ram filed a petition (23/1985) before the Labour Court through the reference made by the State, which directed the Company to pay his dues *vide* its order dated March 5, 1991. Aggrieved by the order, our Company filed a writ petition (29965/1991) before the Hon'ble High Court of Allahabad. Thereafter, Babu Ram moved an application before the Deputy Labour Commissioner for his dues amounting to ₹ 0.73 Lakh requesting for issuance of recovery certificate. The Additional Labour Commissioner passed an ex-parte order dated July 28, 1995 in favour of the Babu Ram. Accordingly, the Company paid ₹ 0.25 Lakh towards recovery amount. However, the Additional Labour Commissioner *vide* its order dated July 31, 1995 revised the recovery amount and reduced it to ₹ 0.14 Lakh. Thereafter, Babu Ram filed a writ petition (25987/1995) before the Hon'ble High Court of Allahabad. Pursuant to that, a settlement agreement dated December 22, 2000 was duly executed between the Babu Ram and our Company before the Deputy Labour Commissioner in which the Company agreed to settle the matter by paying ₹ 0.48 Lakh to the Babu Ram and the writ petition (25987/1995) was dismissed in view of settlement *vide* order dated March 21, 2005. However, thereafter the employee filed a recall application on July 31, 2005 denying any such settlement before the Deputy Labour Commissioner. Both the matters are currently pending before the Hon'ble High Court of Allahabad.
3. Our Company had issued a charge sheet on August 7, 2013 against one of its' employee, Supreme Chaurasia and a domestic enquiry was conducted, pursuant whereof the enquiry report was submitted on July 18, 2014 to the Company. Subsequently, a second opportunity was given to Supreme Chaurasia by issuing a show cause notice dated July 30, 2014 and after considering his reply dated August 6, 2014, the Company found that he was not a fit person to be retained in the employment and accordingly terminated his services. Upon dismissal, Supreme Chaurasia approached the Deputy Labour Commissioner and the matter was referred to the Presiding Officer, Industrial Tribunal (3), Uttar Pradesh, Kanpur ("**Industrial Tribunal**") on August 24, 2015 by the Deputy Labour Commissioner. The matter is currently pending before the Industrial Tribunal for further hearing.

II. Revenue proceedings against our Company

Income Tax proceedings against our Company

1. Assessment Year 2012-13

- i. Our Company had received an assessment order dated March 31, 2014 under Section 143(3) of the I.T. Act from the Assistant Commissioner of Income Tax, Central Circle-1, Kanpur wherein it made an addition of ₹ 2.21 crore in the taxable income of our Company. Our Company filed an appeal before the Commissioner of Income Tax (Appeals) - 1, Kanpur ("**CIT(A)**") against the above assessment order. CIT (A) in its order dated January 31, 2017 ("**Order**") allowed partial relief of ₹ 19.75 Lakh in the taxable income of our Company. Being aggrieved, our Company has, further, filed an appeal on April 18, 2017 before the Income Tax Appellate Tribunal, Lucknow against this Order. The matter is currently pending before the ITAT, Lucknow.
- ii. Our Company had received a show cause notice dated March 31, 2014 from Assistant Commissioner of Income Tax, Central Circle-1, Kanpur ("**ACIT**") requiring our Company to show cause as to why an order imposing a penalty on the Company should not be made under Section 271AAA of the I.T. Act. Our Company filed its response on April 29, 2014. The penalty proceeding is currently pending before the ACIT.

Central Sales Tax proceedings against our Company

1. FY 2009-2010 (CST)

Our Company had received an assessment order dated June 20, 2012 passed by the Joint Commissioner (Assistant), Corporate ("**Commissioner**") demanding ₹ 3.52 Lakh as additional tax imposed on the sales effected without Form-C. Being aggrieved, our Company filed an appeal before the Additional Commissioner, Grade-2 (Appeal) -2 Commercial Taxes, Kanpur ("**Additional Commissioner**") against the said order. The Additional Commissioner in its order dated October 15, 2013 rejected the above appeal and upheld the order dated June 20, 2012 of the Commissioner. Thereafter, our Company filed an appeal (121/2015) before the

Commercial Tax Tribunal, Kanpur against the order dated October 15, 2013. The Commercial Tax Tribunal, Kanpur in its order dated June 24, 2017 (“**Order**”) partially allowed the appeal and directed the assessing officer to take adequate actions as per the Order.

2. FY 2013-14 (CST)

Our Company had made a central sale by virtue of Form-I as prescribed under the rule 12(1) read with Section 8(4) of the CST Act to avail the exemption allowed on units under the SEZ. Joint Commissioner (Assistant) Corporate, Circle -1, Commercial Taxes, Kanpur passed an order dated January 10, 2017 (“**Order**”) demanding ₹ 0.14 Lakh as central sales tax charged at 5% on the central sale made to the units under SEZ. Our Company has preferred an appeal before the Additional Commissioner Grade-2(A)-3 Commercial Taxes, Kanpur against the said Order. The matter is currently pending before the Additional Commissioner Grade-2(A)-3 Commercial Taxes, Kanpur.

Central Excise

1. Our Company submitted the claim for rebate of central excise duty for the following amounts:

Sr. No.	Date of Application	Order-in-original by the Assistant Commissioner, Central Excise, Division I, Kanpur	Appeal preferred by the Assistant Commissioner, Central Excise, Division I, Kanpur	Rebate Claim
1.	March 18, 2013	May 2, 2013	August 2, 2013	₹ 4.70 Lakh
2.	March 21, 2013	May 2, 2013	August 2, 2013	₹ 3.66 Lakh
3.	March 21, 2013	May 2, 2013	August 2, 2013	₹ 4.34 Lakh
4.	March 19, 2013	May 8, 2013	August 2, 2013	₹ 4.97 Lakh
5.	May 14, 2013	June 21, 2013	September 18, 2013	₹ 1.50 Lakh
6.	May 16, 2013	June 21, 2013	September 18, 2013	₹ 2.11 Lakh
7.	May 14, 2013	June 21, 2013	September 18, 2013	₹ 2.79 Lakh
8.	May 14, 2013	June 21, 2013	September 18, 2013	₹ 3.50 Lakh
9.	May 14, 2013	June 21, 2013	September 18, 2013	₹ 1.30 Lakh
Total				₹ 28.90 Lakh

The Commissioner (Appeals), Central Excise, Allahabad rejected the above appeals in its common order dated October 30, 2014 (“**Order**”) and allowed all the above rebate claims granted to the Company. The Commissioner, Customs, Central Excise and Service Tax thereafter filed an application before the Department of Revenue, Ministry of Finance, Government of India for setting aside the Order. The matter is currently pending before the Department of Revenue, Ministry of Finance, Government of India.

III. Cases filed by our Company

Civil Cases

1. Our Company has filed a civil miscellaneous writ petition (5656/2012) before the Hon’ble High Court of Allahabad against the auction notice dated January 13, 2012 (“**Notice**”) issued by the Tehsildar (Sardar), Kanpur, wherein the property located at A 1-2, Udyog Kunj, Site - V, Panki Industrial Area, P. O. Udyog Nagar, Kanpur, Uttar Pradesh, India was proposed for an auction. The matter is currently pending before the Hon’ble High Court of Allahabad.
2. Our Company had purchased a multi buyer exposure policy from Export Credit Guarantee Corporation of India Limited (“**ECGC**”) to secure the risk on non-realization of export proceeds. Our Company on receiving the advance money required for dispatching the consignment, had sent two consignments to the buyer in Brazil and the buyer failed to make the subsequent payment of the consignment. Our Company took all reasonable steps to recover the remaining amount of the consignment, however, on failure to do so, our Company filed an insurance claim on October 23, 2013 for ₹ 23.91 Lakh with ECGC for recovery of losses suffered, which was rejected *vide* letter dated January 23, 2014. Being aggrieved, our Company approached the grievance cell of the ECGC *vide* letter dated February 19, 2015 which subsequently got rejected *vide* letter dated April 28, 2015. Our

Company, thereafter, filed a complaint (51/2017) dated February 15, 2017 before the State Consumer Disputes Redressal Commission (“**Commission**”). The matter is currently pending before the Commission.

3. Our Company had entered into a software license and software support agreement dated August 28, 2012 (“**Agreement**”) with Infor Global Solutions (India) Private Limited (“**Infor Global**”) for purchase of base product ERP 7 for its business. At the time of implementation stage, it was found that the base product ERP 7 had inherent shortcomings and it was not able to meet the requirements of the Company as agreed by them in the Agreement. Our Company filed a consumer complaint (CC/173/2015) (“**Complaint**”) before the Hon’ble National Consumer Dispute Redressal Commission (“**Commission**”) against Infor Global, which *vide* its order dated January 13, 2007 directed Indian Institute of Technology, Kanpur to nominate an expert and study the base product ERP 7 supplied by Infor Global. Meanwhile, Infor Global filed an interim application (IA/7682/2017) on May 25, 2017 before the Commission challenging the maintainability of the Complaint. Thereafter, Indian Institute of Technology, Kanpur submitted its report dated July 13, 2017 to the Commission wherein it examined all the 23 shortcomings claimed by the Company and found that Infor Global can be made responsible for 15 shortcomings. The matter is currently pending before the Commission.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have obtained the necessary consents, licenses, permissions and approvals from various Government and regulatory authorities that are required for carrying on our present business. Some of the approvals and license that we require for our present business operation may expire in the ordinary course of business, in which case, we will apply for their renewal from time to time. In addition, except as mentioned in this chapter “*Government and Other Statutory Approvals*”, as on the date of this Draft Letter of Offer, there are no pending regulatory and Government approvals and no pending renewals of licenses or approvals in relation to the activities undertaken by us or in relation to the Issue.

The details of our pending Government and regulatory approvals in relation to our lines of activity and projects are as stated below:

Nil

The details of Government and regulatory approvals that are yet to be applied for are stated as below:

We are yet to file an application for registration under the Shops Act for the Existing Facilities situated at Unit 4 and Unit 5.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by the resolution passed by our Board at its meeting held on May 29, 2017 pursuant to section 62 and other provisions of the Companies Act.

The Board of Directors in their meeting held on [●] have determined the Issue Price as ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received 'in-principle' approval from the BSE for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letter dated [●].

Prohibition by SEBI or RBI

Our Company, the Promoters and Promoter Group, the Directors, the persons in control of our Company or the persons in control of our Promoters and Promoter Group have not been prohibited from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Promoters and Promoter Group, the Directors, persons in control of our Company or the persons in control of our Promoters and Promoter Group were or also are a promoter, director or person in control of any other company which has been restrained, prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of the Directors of the Company are associated with the capital market in any manner. SEBI has not initiated action against any entity with which the Directors are associated.

Further, none of the Company, the Directors, the Promoters and Promoter Group, the relatives of the Promoters and Promoter Group and the Group Companies have been categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

RBI Approval for Renunciation

Our Company proposes to apply to the RBI for seeking its approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs).

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Presently, the Equity Shares of the Company are listed on the BSE. Our Company is eligible to offer the Rights Equity Shares pursuant to the Issue in terms of Chapter IV of the ICDR Regulations.

Compliance Part E of Schedule VIII of the ICDR Regulations

Our Company has complied with the requirements of Part E of Schedule VIII of the ICDR Regulations, to the applicable extent, in terms of the disclosures made in this Draft Letter of Offer.

Further, our Company confirms that it is in compliance with the following:

- a) Our Company has been filing periodic reports, statements and information in compliance with the Equity Listing Agreement and the Listing Regulations, as applicable, for the last three years immediately preceding the date of filing of this Draft Letter of Offer with the SEBI;

- b) the reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE, which is a recognised stock exchange with nationwide trading terminals; and
- c) our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

Compliance with Regulation 4(2) of the ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 4(2) of the ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 4(2) (d) of the SEBI ICDR Regulations, our Company undertakes to make an application to BSE for listing of the securities to be issued pursuant to this Issue. BSE shall be the Designated Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 15, 2017 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - (a) THE DRAFT LETTER OF OFFER FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

- (c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS - NOT APPLICABLE.
 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS'CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.
 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.
 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS'CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS'CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.
 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS

THIS CONDITION. – NOT APPLICABLE FOR A RIGHTS ISSUE, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALIZATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE ICDR REGULATIONS.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
 - (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR **–NOT APPLICABLE, BEING A RIGHTS ISSUE.**
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - **COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT LETTER OF OFFER.**
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS - **NOT APPLICABLE.**

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 38 OF THE COMPANIES

ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Caution

Disclaimer Statement from our Company and the Lead Manager:

Our Company and the Lead Manager, namely Vivro Financial Services Private Limited, accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisement or any other material issued by or at the instance of our Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the issue will be deemed to have been represented by our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with SEBI.

No dealer, sales person or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Applicants will be required to confirm and will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and that they shall not issue, sell, pledge or transfer their Rights Entitlement or Rights Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Investor on whether such Investor is eligible to acquire any Rights Equity Shares.

The Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and our group entities or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and our group entities or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Kanpur, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of this Issue will be the BSE.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as will be intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchange.

Filing with SEBI

This Draft Letter of Offer has been filed with the Corporation Finance Department of SEBI, located at 5th Floor, Bank of Baroda Building, 16, Sansad Marg, Police Colony, Connaught Place, New Delhi, Delhi-110001, India for its observations. After SEBI gives its observations, the Letter of Offer shall be filed with the Stock Exchange as per the provisions of the Companies Act, 2013.

Selling Restrictions

The distribution of this Draft Letter of Offer and the issue of our Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue of Rights Equity Shares to its Eligible Equity Shareholders and will dispatch the Letter of Offer and Composite Application Form (“CAF”) to the shareholders who have an Indian address.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the same in or into the US or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company’s affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY AND TRANSFER RESTRICTIONS

As described more fully below, there are certain restrictions regarding the rights and Rights Equity Shares that affect potential investors. These restrictions are restrictions on the ownership of Equity Shares by such persons following the offer.

The rights and the Rights Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The rights and the Rights Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of rights or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Eligible Investors

The rights or Rights Equity Shares are being offered and sold only to persons who are outside the United States and are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and

sales occur. All persons who acquire the rights or Equity Shares are deemed to have made the representations set forth immediately below.

Rights Equity Shares and Rights Offered and Sold in this Issue

Each purchaser acquiring the rights or Rights Equity Shares, by its acceptance of this Draft Letter of Offer and of the rights or Rights Equity Shares, will be deemed to have acknowledged, represented to and agreed with us and the Lead Manager that it has received a copy of this Draft Letter of Offer and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the rights or Rights Equity Shares in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the rights and Rights Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and, accordingly, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser is purchasing the rights or Rights Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the rights or Rights Equity Shares, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such rights or Rights Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such rights or Rights Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such rights or Rights Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such rights or Rights Equity Shares, or any economic interest therein, such rights or Rights Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the rights or Rights Equity Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act;
- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the rights or the Rights Equity Shares;
- (8) the purchaser understands that such rights or Rights Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE RIGHTS EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (9) the purchaser agrees, upon a proposed transfer of the rights or the Rights Equity Shares, to notify any purchaser of such rights or Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the rights or Rights Equity Shares being sold;
- (10) the Company will not recognize any offer, sale, pledge or other transfer of such rights or Rights Equity Shares made other than in compliance with the above-stated restrictions; and
- (11) the purchaser acknowledges that the Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such rights or Rights Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such rights or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State”) who receives any communication in respect of, or who acquires any rights or Rights Equity Shares under, the offers contemplated in this Draft Letter of Offer will be deemed to have represented, warranted and agreed to and with both the Lead Manager and the Company that in the case of any rights or Rights Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:

- (i) the rights or Rights Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Lead Managers has been given to the offer or resale; or
- (ii) where rights or Rights Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those rights or Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any of the rights or Rights Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the rights or Rights Equity Shares to be offered so as to enable an Investor to decide to purchase or subscribe for the rights or Rights Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Listing on the Stock Exchange

The existing Equity Shares of our Company are listed on the BSE. We have made an application to the BSE for obtaining ‘in-principle’ approval in respect of the Rights Equity Shares, and have received the same from the BSE by way of its letter dated [●]. We will apply to the BSE for listing and trading approvals in respect of the Rights Equity Shares.

If the permission to deal in and for an official quotation of the securities is not granted by the BSE, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer. We will issue and dispatch Allotment advice/ share certificates/demat credit and/or letters of regret along with refund order or credit the Allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 (fifteen) days from the Issue Closing Date.

If such money is not repaid becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 (fifteen) days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

Consents

Consents in writing of the Directors, the Statutory Auditors, the Lead Manager, the Legal Counsel to the Issue, the Legal Advisor to the Company, the Registrar to the Issue and the Banker(s) to the Issue to act in their respective

capacities have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

M/s Pandey & Company, our Statutory Auditors, have given their written consent for the inclusion of their report appearing in this Draft Letter of Offer and such consent and report have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received consent from the Statutory Auditors, M/s Pandey & Company, Chartered Accountants to include their name as an “expert” under Section 2(38) read with Section 26 of the Companies Act in this Draft Letter of Offer in relation to (i) audit report dated May 29, 2017 on the audited financial statements of our Company for FY 2016-17 provided under the chapter titled “*Financial Statements*” beginning on page 71 of this Draft Letter of Offer; and (ii) the Statement of Tax Benefits dated August 24, 2017 beginning on page 56 of this Draft Letter of Offer. Further, this consent has not been withdrawn as of the date of this Draft Letter of Offer.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] Lakh. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, Banker(s) to the Issue, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Estimated Expenses (₹ in Lakh)	% of Estimated Issue size	% of Estimated Issue expenses*
Fees of the Lead Manager, Registrar to the Issue, Legal Advisor, Auditor’s fees etc.	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees	[●]	[●]	[●]
Regulatory fees, Filing fees, Stamp Duty, Listing Fees, Depository Fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**Amount will be finalized at the time of filing the Letter of Offer and determination of Issue Price and other details.*

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the SEBI Listing Regulations. Additionally, we have been registered with SCORES, as required by the SEBI Circular number CIR/ OIAE/2/2011 dated June 3, 2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature.

Our Company has a Stakeholders’ Relationship Committee which meets as and when required, to deal with and monitor redressal of complaints from shareholders. Skyline Financial Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Compliance Officer.

Investor Grievances arising out of the Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA Applicants giving full details such as Folio Number / Demat Account Number, name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank/ SCSB and the branch where the CAF was deposited, along

with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

Our Company is registered with the SCORES as required by the SEBI Circular number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, Investor grievances are tracked online by the Company.

The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Skyline Financial Services Private Limited

D-153/A, First Floor, Okhla Industrial Area, Phase I,
New Delhi, India - 110020.

Telephone Number: + 91-11-26812683 **Facsimile Number:** +91-11-26292681

Website: www.skylinerta.com **Email:** viren@skylinerta.com

Investor Grievance Email: grievances@skylinerta.com

Contact Person: Mr. Virender Rana

SEBI Registration Number: INRO00003241

CIN: U74899DL1995PTC071324

Investors may contact the Compliance Officer and/or Registrar to the Issue in case of any pre-Issue/ post - Issue related problems such as non-receipt of Allotment advice/share certificates/demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

Company Secretary and Compliance Officer

Mr. Ankur Srivastava,

Kanpur Plastipack Limited

D 19-20, Panki Industrial Area,

P. O. Udyog Nagar, Kanpur,

Uttar Pradesh, India – 208022

Telephone Number.: +91 512 2691113/14/15/16

Facsimile Number: +91 512 2691117

Email: secretary@kanplas.com

Website: www.kanplas.com

Status of Complaints

- a. Total number of complaints received during FY 2014-15: three complaints were received and resolved during the year.
- b. Total number of complaints received during FY 2015-16: four complaints were received and resolved during the year.
- c. Total number of complaints received during FY 2016-17: six complaints were received and resolved during the year.
- d. Time normally taken for disposal of various types of investor complaints: 7-10 days
 - a. Share transfer process: Within 15 days after receiving full set of documents
 - b. Share transmission process: Within 21 days after receiving full set of documents
 - c. Other Complaints: Within 7 to 10 days from the receipt of the Complaint

Status of outstanding investor complaints

As on the date of this Draft Letter of Offer, there is 1 (one) outstanding investor complaint, wherein one of the investors has raised a complaint on SCORES through communication dated July 10, 2017, *inter-alia* pertaining to

refusal of transfer of shares by RTA on the grounds that the duplicate share certificates for the said shares being already issued and dematerialized. This complaint is yet to be redressed.

Changes in statutory auditors during the last three years

There has been no change in the statutory auditors of the Company during last three years.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under the heading titled "*Basis of Allotment*" in the chapter titled "*Terms of the Issue*" beginning on page 122 of this Draft Letter of Offer.

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

The Rights Equity Shares proposed to be issued, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, including the CAF, the SAF, the Memorandum of Association and Articles of Association, the provisions of the Companies Act, the FEMA, applicable guidelines and regulations issued by SEBI, the guidelines, notifications and regulations for the issue of capital and for listing of Equity Shares issued by the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities and bodies from time to time, the terms of erstwhile listing agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice or security certificate and rules as may be applicable and introduced from time to time.

Please note that in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIB Investors, Non Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000, complying with the eligibility conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. The Investors who are (i) not QIBs, (ii) not Non Institutional Investors, or (iii) Investors whose application amount is not more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Rights Equity Shares through the non-ASBA process, irrespective of the application amounts.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please see “*Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process*” on page 137. Notwithstanding anything contained hereinabove, all Renouncees (including Renouncees who are Individuals) shall apply in the Issue only through the non-ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular number CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ Rights Issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights/obligations of the Eligible Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on May 29, 2017, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other provisions of the Companies Act.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories for the purpose of this Rights Issue in respect of the Equity Shares held in the electronic form and on the register of members in respect of

the Equity Shares held in physical form at the close of business hours on the Record Date i.e. [●] fixed in consultation with BSE, i.e. Designated Stock Exchange.

Rights Entitlement

Eligible Equity Shareholder whose name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Equity Shareholder as on the Record Date i.e. [●], are entitled to the number of Rights Equity Shares as set out in Part A of the CAFs.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch this Draft Letter of Offer, the Letter of Offer/Abridged Letter of Offer and CAF only to those Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. The distribution of the Letter of Offer/Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, the Letter of Offer/Abridged Letter of Offer/CAF, that such person is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements will not be, in any restricted jurisdiction.

PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10 each.

Issue Price

Each Rights Equity Share shall be offered at an Issue Price of ₹ [●] for cash at a premium of ₹ [●] per Rights Equity Share. The Issue Price has been arrived at after consultation between our Company and the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.

Payment Method

The issue price per Equity Share shall be payable as follows:

Amount payable per Rights Equity Share (₹)	Face Value (₹)	Premium (₹)	Total (₹)
On Application	₹ 5.00	[●]	[●]
*On first and Final Call	₹ 5.00	[●]	[●]

** Investors shall be required to make the balance payment towards the First and Final Call Notice by the due date, which shall be separately notified by our Company.*

Note:

1. Out of the amount of ₹ [●] paid on application, ₹ [●] would be adjusted towards the face value of the Rights Equity Shares and ₹ [●] shall be adjusted towards the premium of the Rights Equity Shares.
2. Out of the amount of ₹ [●] paid on First and Final call, ₹ [●] would be adjusted towards the face value of the Rights Equity Shares and ₹ [●] shall be adjusted towards the premium of the Rights Equity Shares.
3. First and Final Call Notice shall be sent by our Company for making the payment towards the balance amount due.
4. Rights Equity Shares in respect of which the First and Final Call payable remains unpaid may be forfeited, at any time after the due date for payment of the balance amount due.

Procedure for First and Final Call Notice

The Company would convene a meeting of the Board to pass the required resolutions for making the First and Final Call and suitable intimation would be given by the Company to the Stock Exchange. Further, advertisements for the same will be published in one (1) English national daily newspaper, one (1) Regional language daily newspaper and one (1) in Hindi national daily newspaper, all with wide circulation. The First and Final Call shall be deemed to have been made at the time when the resolution authorizing such First and Final Call is passed at the meeting of the Board. The First and Final Call may be revoked or postponed at the discretion of the Board. Pursuant to the provisions of the Articles of Association of the Company, the Investors would be given at least fourteen (14) days' notice for the payment of the First and Final Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the First and Final Call. The calls shall be structured in such a manner that the entire First and Final Call is called within 12 months from the date of allotment of Rights Shares in this Issue. If the Investors fail to pay the First and Final Call within the due date fixed by the Board or any extension thereof, the application money already paid may be forfeited.

Record date for First and Final Call and suspension of trading

The Company would fix record date giving at least seven (7) days prior notice to the Stock Exchanges for the purpose of determining the list of Equity Shareholders to whom the notice for First and Final Call pursuant to the First and Final Call would be sent. Once the record date has been fixed, trading in the partly paid Rights Shares for which the First and Final Call has been made would be suspended prior to such Record Date that has been fixed for the First and Final Call.

Separate ISIN for Partly Paid-up Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for its partly paid-up Rights Equity Shares. The partly paid-up Rights Equity Shares offered under the Issue will be traded under a separate ISIN for the period as may be applicable under the rules and regulations prior to the record date for the First and Final Call Notice. The ISIN representing partly paid-up Rights Equity Shares will be terminated after the Record Date for the First and Final Call Notice. On payment of the First and Final Call money in respect of the partly paid-up Rights Equity Shares, such partly paid-up Rights Equity Shares would be converted into fully paid-up Equity Shares and merged with the existing ISIN for our Equity Shares.

Listing of Partly Paid-up Rights Equity Shares

The partly paid-up Rights Equity Shares would be listed on the Stock Exchange. For an applicable period, under the rules and regulations, prior to the record date for the First and Final Call, the trading of then existing partly paid-up Rights Equity Shares would be terminated. The process of corporate action for crediting the partly paid-up and fully paid-up Rights Equity Shares to the Investors' demat accounts may take about two weeks' time from the last date of payment of the account under the First and Final Call notice.

The listing and trading of the partly paid-up Rights Equity Shares shall be based on the current regulatory framework applicable thereto. Any change in the regulatory regime would accordingly affect the schedule.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to the existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in a multiple of [●] Rights Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preference in the Allotment of one Additional Rights Equity Share each, if such Equity Shareholders have applied for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Equity Shareholder holds [●] Equity Shares, he will be entitled to [●] Rights Equity Shares on a rights basis. He will also be given a preferential consideration for the Allotment of 1 (one) Additional Rights Equity Share if he has applied for the same.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Shares under this Issue shall be dispatched a CAF with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of one Additional Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. CAF's with zero entitlement will be non-negotiable/non-renounceable.

For example, if an Eligible Equity Shareholder holds between 1 (one) and [●] Equity Shares, he will be entitled to zero Rights Equity Shares on a rights basis. He will be given a preference for Allotment of 1 (one) Additional Rights Equity Share if he has applied for the same.

Ranking

The Rights Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association. The Rights Equity Shares issued under this Issue shall rank *pari passu*, in all respects including dividend, with our existing Equity Shares.

Mode of payment of dividend

In the event of declaration of dividend, we shall pay dividend to Equity Shareholders as per the provisions of the Companies Act and the provisions of our Articles of Association.

Listing and trading of Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently listed and traded on BSE (Scrip Code: 507779) under the ISIN - INE694E01014.

We have received "in-principle" approval for the listing of the Rights Equity Shares to be issued pursuant to the Issue in accordance with Regulation 110 of the Listing Regulations from the BSE pursuant to its' letter number [●] dated [●].

The Rights Equity Shares proposed to be issued on a rights basis shall, in terms of SEBI Circular number CIR/MRD/DP/21 /2012 dated August 2, 2012, be Allotted under a temporary ISIN which shall be blocked till the receipt of final listing/ trading approval from the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued on a rights basis shall be debited from such temporary ISIN and credited in the existing ISIN of our Company and thereafter be available for trading.

The listing and trading of the Rights Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

The Rights Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within 7 (seven) Working Days of finalization Basis of Allotment.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond 8 (eight) days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from the Stock Exchanges, or on expiry of 15 (fifteen) days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of 8 (eight) days, be liable to repay the money, with interest as per applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, the Eligible Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared.
- Right to attend general meetings and exercise voting powers proportionate to the amount paid-up, unless

- prohibited by law;
- Right to vote on poll, either in person or proxy and exercise voting power, unless prohibited by law;
- Right to receive offers for Rights Equity Shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum of Association and Articles of Association.

General Terms and Conditions of the Issue for ASBA and Non-ASBA Investors

Market Lot

The Rights Equity Shares of our Company are tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialised mode is one. In case an Eligible Equity Shareholder holds Equity Shares in physical form, our Company would issue to such Allottees one certificate for the Rights Equity Shares allotted to each folio (the “**Consolidated Certificate**”). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Eligible Equity Shareholder. We shall not charge a fee for splitting any of the Consolidated Certificates.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. CAF would be required to be signed by all the joint holders. In case of renunciation, the joint holders would be required to sign Part B of the CAF. In absence of signatures of all joint holders, the CAF would be liable to for rejection.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Rights Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Shares are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered Office or such other person at such addresses as may be notified by our Company. In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Rights Equity Shares; or
- to make such transfer of the Rights Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitles, elects to be registered as holders of the Rights Equity Shares himself or herself, he/she shall deliver to our Company a notice in writing signed by him stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased holder.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with us, no further nomination needs to be made for Rights Equity Shares that may be allotted in this Issue under the same folio.

In case the Allotment of Rights Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant ("DP") of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform their respective DP.

Arrangements for Disposal of Odd Lots

Our Company's Rights Equity Shares are traded in dematerialised form only and therefore the marketable lot is 1 (one) share and hence, no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and regional language daily newspaper with wide circulation and/ or will be sent by ordinary post/ registered post/ speed post to the registered address of the Eligible Equity Shareholders in India or the Indian address provided by the Eligible Equity Shareholders, from time to time. However, the distribution of the Letter of Offer/Abridge Letter of Offer and the issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Rights Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 (fifteen) days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 (eight) days after our Company becomes liable to pay the subscription amount (i.e. 15 (fifteen) days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.

Subscription by Promoters and Promoter Group

Our Promoters and the Promoter Group of our Company through their letters dated September 2, 2017 (the "**Subscription Letters**") have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

1. Mr. Mahesh Swarup Agarwal
2. Mr. Manoj Agarwal
3. Mr. Shashank Agarwal
4. Ms. Usha Agarwal
5. Ms. Alka Jain
6. Ms. Jayantika Goyal
7. Ms. Kanika Mahadevwala
8. Ms. Manjari Agarwal
9. Mahesh S. Agarwal HUF
10. Manoj Agarwal HUF
11. MSA Investment and Trading Company Private Limited
12. KSM Exports Limited

13. KPL Packaging Private Limited

Further, the Promoters and Promoter Group have also confirmed that they intend to (i) subscribe to Additional Rights Equity Shares along with their Rights Entitlement and / or renunciation, and (ii) subscribe for unsubscribed portion in the Issue, if any.

Such subscriptions to Additional Rights Equity Shares and the unsubscribed portion, if any, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of Additional Rights Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Regulations. The members of the Promoters and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the Regulation 38 of the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled “*Objects of the Issue*” beginning on page 46 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares, even if, as a result of any allotment in the Issue to our Promoters and / or the members of our Promoter Group, the shareholding of our Promoters and/or Promoter Group in our Company exceeds their current shareholding.

In case the Rights Issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws.

Underwriting to the Issue

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Procedure for Application

The CAF for Rights Equity Shares offered as a part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholders or is misplaced by the Eligible Equity Shareholders, the Eligible Equity Shareholders may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Eligible Equity Shareholder(s) does not match with the specimen registered with us, the application is liable to be rejected.

Please note that neither our Company nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/ duplicate CAF attributable to postal delays or if the CAF/ duplicate CAF are misplaced in the transit.

Please note that in accordance with the provisions of the SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000 complying with the eligibility conditions prescribed under the SEBI circular number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors, or (iii) Investors whose Application Money is not more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money.

Composite Application Form (“CAF”)

The Registrar to the Issue will dispatch the CAF to Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. The CAF will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Applicants may also choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, please see under this chapter titled “*Terms of the Issue*” beginning on page 122 of this Draft Letter of Offer.

The CAF consists of four parts:

- Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for Additional Rights Equity Shares;
- Part B: Form for renunciation of Rights Equity Shares;
- Part C: Form for application for renunciation of Rights Equity Shares by Renouncee(s); and
- Part D: Form for request for Split Application Forms.

Option available to the Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in the Rights Equity Shares, then he/she can:

- Apply for his Rights Entitlement of Rights Equity Shares in full;
- Apply for his Rights Entitlement of Rights Shares in part (without renouncing the other part) ;
- Apply for his Rights Entitlement of Rights Equity Shares in part and renounce the other part of the Rights Equity Shares;
- Apply for his Rights Entitlement in full and apply for Additional Rights Equity Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Equity Shares, either in full or in part without renouncing the balance by filling Part A of the CAFs and submit the same along with the Application Money payable to the Bankers to the Issue and any of the collection centers as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard. Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai/demand draft payable at Mumbai to the Registrar to the Issue by registered post / speed post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF, attributable to postal delays or if the CAF is misplaced in the transit. Applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please see the headings titled “*Mode of Payment for Resident Equity Shareholders / Applicants*” and “*Mode of Payment for Non-Resident Equity Shareholders/ Applicants*” on page 135 of this Draft Letter of Offer.

Additional Rights Equity Shares

You are eligible to apply for Additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under this chapter titled “*Terms of the Issue*” beginning on page 122 of this Draft Letter of Offer.

If you desire to apply for Additional Rights Equity Shares, please indicate your requirement in the place provided for Additional Rights Equity Shares in Part A of the CAF. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for Additional Rights Equity Shares. In terms of Regulation 6 of Notification number FEMA 20/2000-RB dated May 3, 2000, as amended from time to time, only the existing Non-Resident shareholders may subscribe for Additional Equity Shares over and above the equity shares offered on rights basis by our Company.

Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/ or register and Equity Shares in favour of the following Renounees: (i) more than three persons (including joint holders), (ii) partnership firm(s) or their nominee(s), (iii) minors, (iv) HUF, or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Applications by HUFs will be treated as on par with applications by natural persons. Additionally, the Eligible Equity Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Equity Share or Rights Entitlement under applicable securities or other laws. Eligible Equity Shareholders may also not renounce in favour of persons or entities in the United States.

Any renunciation (i) from resident Indian equity shareholder(s) to non –resident, or (ii) from non-resident equity shareholder(s) to resident Indian(s), or (iii) from a non-resident equity shareholder(s) to other non-resident(s), is subject to the renouncer (s)/ Renouncee(s) obtaining the necessary regulatory approvals. Our Company proposes to apply to the RBI for seeking approval for renunciation of Rights Entitlement by (a) an Eligible Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Eligible Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Eligible Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs). In case our Company does not receive such approval, the renouncer/Renouncee is required to obtain such approval and attach to the CAF. All such renunciations shall be subject to any conditions that may be specified in the RBI approval. Applications not complying with conditions of the approval/ not accompanied by such approvals are liable to be rejected.

By virtue of the Circular number 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly , the Eligible Equity Shareholders of our Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of the Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).

The RBI has, however clarified in its circular, A.P. (DIR Series) Circular number 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification number 20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part ‘A’ of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the enclosed CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part ‘B’ of the CAF) duly filled in shall be conclusive evidence for our Company of the person(s) applying for Equity Shares in part ‘C’ of the CAF to receive Allotment of such Equity Shares. The Renounees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part ‘A’ of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no further right to renounce any Rights Equity Shares in favour of any other person.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Equity Shareholder in favour of one Renouncee

If you wish to renounce the Rights Entitlement indicated in Part ‘A’, in whole, please complete Part ‘B’ of the CAF. In case of joint holding, all joint holders must sign Part ‘B’ of the CAF. The person in whose favour renunciation has been made should complete and sign Part ‘C’ of the CAF. In case of joint Renounees, all joint Renounees must sign Part ‘C’ of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept the Rights Entitlement in part and renounce the balance, or (ii) renounce the entire Rights Entitlement under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company/Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with Application Money in full. The Renouncee cannot further renounce.

Change and/or introduction of additional holders

If an Applicant wishes to apply Rights Equity Shares jointly with other person(s), not being more than 3 (three), who is/are not already a joint holder with such person, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors of our Company shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason therefore.

Instructions for Options

The summary of options available to the Eligible Equity Shareholders is presented below. Applicants may exercise any of the following options with regard to the Equity Shares offered, using the enclosed CAF:

Sr. No.	Options Available	Action Required
1.	Accept whole or part of Rights Entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign in the same sequence)
2.	Accept Rights Entitlement in full and apply for Additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to Additional Rights Equity Shares (All joint holders must sign in the same sequence)
3.	Accept a part of Rights Entitlement and renounce the balance to one or more Renouncee(s)	Fill in and sign Part D (all joint holders must sign in the same sequence) requesting for SAFs. Send the CAF to the Registrars to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once.
	OR	
	Renounce Rights Entitlement to all the Equity Shares offered to more than one Renouncee.	On receipt of the SAF take action as indicated below i) For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. ii) For the Rights Equity Shares you wish to

Sr. No.	Options Available	Action Required
		renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Equity Shares accepted by them.
4.	Renunciation of Rights Entitlement in full to one person (Joint Renouncees are considered as one)	Fill in and sign Part B (all joint holders must sign in the same sequence) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

In case of Rights Equity Shares held in physical form, applicants must provide information in the CAF as to their respective bank account numbers, name of the bank, to enable the Registrar to print the said details on the refund order. Failure to comply with this may lead to rejection of application. In case of Rights Equity Shares held in demat form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Applicants must provide information in the CAF as to their account number and the name of the bank, to enable Registrar to print the information on the refund orders where equity shares are held in physical form.
- Request for SAFs should be made for minimum of one Rights Equity Share or, in either case, in multiples thereof and one SAF for balance Rights Equity Shares, if any.
- Request by the Applicant for the SAFs should reach the Registrar on or before [●].
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Applicant(s) by post at the Applicant's risk.
- Eligible Equity Shareholders shall not renounce in favour of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.
- While applying for or renouncing their Rights Entitlement, joint Eligible Equity Shareholders must sign the Application Form or SAF in the same order and as per specimen signatures recorded with our Company/ Depositories.
- Applicants must write their CAF numbers at the back of the cheque / demand draft.
- Application(s) received from NR/NRIs, or persons of Indian origin residing abroad shall be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Equity Shares, interest, export of share certifications, etc. In case a NR or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.
- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in reduced frequency, specifically once a week, on Mondays of every week from November 1, 2014 onwards. This would have an impact on timelines for the issuance of final certificates; hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the Applicant who should furnish the registered folio number/ DP and Client ID and his/ her full name and address to the Registrar to the Issue. Please also note that shareholder has an option to print the duplicate CAF from the website of the Registrar to the Issue (website: www.skylinerta.com) by providing his / her folio number / DP ID / Client ID to enable the shareholder to apply for the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue at least 7 (seven) days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Applicant violates such requirements, he / she shall face the risk of rejection of either original CAF or both the applications. Neither our Company nor the Registrar or the Lead Manager to the Issue will be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper (Non – ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft, net of bank and postal charges payable at Mumbai and the Investor should send the same by registered post directly to the Registrar to the Issue. For further details on the mode of payment, please see the headings “*Mode of Payment for Resident Equity Shareholders / Applicants*” and “*Mode of Payment for Non-Resident Equity Shareholders/ Applicants*” on page 135 of this Draft Letter of Offer. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super-scribed “Kanpur Plastipack Limited – Rights Issue” and should be postmarked in India. The application on plain paper, duly signed by the Applicant(s) including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of the issuer being Kanpur Plastipack Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID Number;
4. Number of Equity Shares held as on Record Date;
5. Share Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
6. Allotment option preferred – physical or demat form, if held in physical form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for;
9. Number of Additional Rights Equity Shares applied for, if any;
10. Total number of Rights Equity Shares applied for;
11. Total application amount paid at the rate of ₹ [●] per Rights Equity Share;
12. Particulars of cheque/ demand draft;
13. Savings/Current Account Number and name and address of the bank where the Applicant will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories.

14. Additionally, non-resident Applicants shall include the representation in writing that:

“I/We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Applicants in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholders violates such requirements, he/she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Applicant without any interest thereon.

Applicants are requested to strictly adhere to these instructions. Failure to do so could result in the Application being liable to be rejected without our Company, the Lead Manager and the Registrar to the Issue incurring any liabilities to such applicants for such rejections.

Last date for Application

The last date for submission of the duly filled in CAF is [●]. The Board of Directors or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 (thirty) days from the Issue Opening Date.

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose the Rights Equity Shares hereby offered, as provided under heading titled “Basis of Allotment” in this chapter titled “Terms of the Issue” beginning on page 122 of this Draft Letter of Offer.

Modes of Payment

Investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond 6 (six) Working Days from the Issue Closing Date.

Mode of payment for Resident Equity Shareholders / Applicants

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of “Kanpur Plastipack Limited – Rights Issue - R” crossed ‘A/c Payee only’ and should be submitted along with the CAF to the Bankers to the Issue/ Collecting Bank or to the Registrar on or before Issue Closing Date;
2. Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn in favour of “Kanpur Plastipack Limited – Rights Issue - R”, crossed ‘A/c Payee only’ and payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super-scribed “Kanpur Plastipack Limited – Rights Issue”. Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any. Applications through mail should not be sent in any manner except as provided above. The CAF along with the Application Money must not be sent to our Company or the Lead Manager. Applicants as requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Equity Shareholders / Applicants

As regards the applications by non-resident Investor, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe for Securities by applicable local securities laws can obtain application forms from the following address:

Skyline Financial Services Private Limited

D-153/A, First Floor, Okhla Industrial Area, Phase I,

New Delhi, India - 110020.

Telephone Number: + 91-11-26812683 **Facsimile Number:** +91-11-26292681

Website: www.skylinerta.com **Email:** viren@skylinerta.com

Investor Grievance Email: grievances@skylinerta.com

Contact Person: Mr. Virender Rana

SEBI Registration Number: INRO00003241

CIN: U74899DL1995PTC071324

- Applications will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Securities may be restricted by applicable securities laws.
- Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of “Kanpur Plastipack Limited – Rights Issue - NR”, crossed ‘A/c Payee only’ payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed “Kanpur Plastipack Limited – Rights Issue”. Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.
- Payment by non-residents must be made by demand draft payable at Mumbai / cheque drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
- By cheque / bank drafts remitted through normal banking channel or out of funds in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorised to deal in foreign currency in India, along with documentary evidence in support of remittance;
- By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable at Mumbai;
- FIIs registered with SEBI must utilise funds from special non-resident rupee account;
- Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of “Kanpur Plastipack Limited – Rights Issue - NR”, crossed “A/c Payee only” for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;
- Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Securities on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary)Account (“**NRO Account**”) maintained in Mumbai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Securities will be on non-repatriation basis.
- Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of “Kanpur Plastipack Limited – Rights Issue - R”, crossed “A/c Payee only” for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;
- Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRE accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.
- An Eligible Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.
- In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI / Government of India as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process

This section is for the information of the ASBA Applicants proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Applicants who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

Our Company, Lead Manager, our Directors, our employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 2,00,000, complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors, or (iii) Investors whose Application Money is not more than ₹ 2,00,000 can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money.

Please note that subject to SCSBs complying with the requirements of SEBI Circular number CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Equity Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares in the Issue through the ASBA Process is only available to the Applicants of our Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Equity Shares in the Issue in dematerialised form;

- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Rights Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account. More than 1 (one) ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Securities either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard.

Additional Rights Equity Shares

You are eligible to apply for Additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for Rights Equity Shares under applicable law and you have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under this chapter titled “*Terms of the Issue*” beginning on page 122 of this Draft Letter of Offer.

If you desire to apply for Additional Rights Equity Shares, please indicate your requirement in the place provided for Additional Rights Equity Shares in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account. This amount will be transferred in terms of the SEBI Regulations, into a separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be

unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar, the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of the SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under SEBI circular number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (All joint holders must sign)
Accept your Rights Entitlement in full and apply for additional Equity Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Securities (All joint holders must sign)

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper under the ASBA Process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super-scribed “Kanpur Plastipack Limited – Rights Issue - R” or “Kanpur Plastipack Limited – Rights Issue - NR” as the case may be and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/ Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of Issuer, being Kanpur Plastipack Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID Number;
- Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Number of Equity Shares held as on Record Date;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;

- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] per Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
- Additionally, all such Eligible Equity Shareholders applying through ASBA are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States.

I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time.

I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Option to receive Rights Equity Shares in Dematerialized Form

ELIGIBLE SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Equity Shareholders applying under the ASBA Process:

- Please read the instructions printed on the respective CAF carefully.
- Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

- c) The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to our Company or the Registrar or the Lead Manager to the Issue.
- d) All Eligible Equity Shareholders, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Eligible Equity Shareholders for which PAN details have not been verified shall be “suspended for credit” and no allotment and credit of Securities pursuant to the Issue shall be made into the accounts of such Eligible Equity Shareholders.
- e) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company/or Depositories.
- g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/ Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- h) All communication in connection with application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.
- i) Only the person or persons to whom the Rights Equity Shares have been offered and not Renouncee(s) shall be eligible to participate under the ASBA process.
- j) Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Securities under applicable securities laws are eligible to participate.
- k) Only the Eligible Equity Shareholders holding securities in demat are eligible to participate through the ASBA process.
- l) Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using the ASBA process.
- m) Please note that pursuant to the applicability of the directions issued by SEBI vide its circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all Eligible Equity Shareholders who are QIBs, Non-Institutional Eligible Shareholders and other Eligible Equity Shareholders whose application amount exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA process. The Eligible Equity Shareholders who are (i) not QIBs, (ii) not Non-Institutional Eligible Shareholders or (iii) investors whose application amount is not more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular number CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for

ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

- n) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under this chapter titled “*Terms of the Issue*” beginning on page 122 of this Draft Letter of Offer.

Do’s:

- a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.
- b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Securities will be allotted in the dematerialized form only.
- c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
- d) Ensure that there are sufficient funds (equal to {number of Securities as the case may be applied for} X {Issue Price of Securities, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
- e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
- g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Eligible Shareholder should mention their PAN allotted under the IT Act.
- h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- i) Ensure that the Demographic Details are updated, true and correct, in all respects.
- j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don’ts:

- a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b)
- c) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
- d) Do not pay the amount payable on application in cash, by money order, pay order or by postal order.
- e) Do not send your physical CAFs to the Lead Manager / Registrar / Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
- f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- g) Do not apply if the ASBA account has been used for five Eligible Shareholders.

- h) Do not apply through the ASBA Process if you are not an ASBA Eligible Shareholder.
- i) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under “*Grounds for Technical Rejection for Non-ASBA Investors*” on page 152 of this Draft Letter of Offer, applications under the ASBA Process are liable to be rejected on the following grounds:

- I. Application on a SAF (unless all the SAFs are used by the original shareholder).
- II. Application for Allotment of Rights Entitlements or Additional Rights Equity Shares which are in physical form.
- III. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
- IV. Sending an ASBA application on plain paper to the Registrar.
- V. Sending CAF to Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
- VI. Renouncee applying under the ASBA Process.
- VII. Submission of more than five CAFs per ASBA Account.
- VIII. Insufficient funds are available with the SCSB for blocking the amount.
- IX. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
- X. Account holder not signing the CAF or declaration mentioned therein.
- XI. CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.
- XII. CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.
- XIII. QIBs, Non-Institutional Investors and other Eligible Equity Shareholders applying for Securities in this Issue for value of more than ₹ 2,00,000 who hold Equity Shares in dematerialized form and is not a renouncer or a Renouncee not applying through the ASBA process.
- XIV. Application by an Eligible Shareholder whose cumulative value of Securities applied for is more than ₹ 2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.
- XV. Multiple CAFs, including cases where an Eligible Shareholder submits CAFs along with a plain paper application.
- XVI. Submitting the GIR instead of the PAN.
- XVII. An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
- XVIII. Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

- XIX. ASBA Bids by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- XX. Applications by Eligible Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.
- XXI. Non-Institutional Investors who have a bank account with an SCSB providing ASBA facility in the location of the Non-Institutional Investors and the application by the Non-Institutional Investors is not made through that SCSB providing ASBA facility in such location.

Depository account and bank details for Eligible Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE. ALL ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Eligible Equity Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Equity Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Eligible Equity Shareholders such as address, bank account details for printing on refund orders and occupation ("**Demographic Details**"). Hence, Eligible Equity Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of bank account of the respective Eligible Equity Shareholder. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Equity Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Eligible Equity Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Securities are not allotted to such Eligible Equity Shareholder. Eligible Equity Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Eligible Equity Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Eligible Equity Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Eligible Equity Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Equity Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not be kept open in excess of 30 (thirty) days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to allot the Equity Shares in the following order of priority:

- a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b. Investor whose fractional entitlements are being ignored would be given preference in Allotment of one Additional Equity Share each if they apply for Additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head are more than number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c. Allotment to the Eligible Equity Shareholders who applied for all the Equity Shares offered to them as part of the Issue and has also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity shares held by them on a Record Date, provided there is an under-subscribed portion after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential Allotment.
- d. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential Allotment.
- e. Allotment to any other person that our Board/Committee of Directors as it may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose regulation 10(4)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar of the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Securities in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment Advice/ Share Certificates / demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 (fifteen) days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House (“NACH”) except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 (fifteen) days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding Share Certificates will be kept ready within 2 (two) months from the date of Allotment thereof or such extended time as may be approved by the National Company Law Tribunal under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the Share Certificates.

The letter of allotment / refund order would be sent by registered post / speed post to the sole / first Investors registered address in India or the Indian address provided by the Eligible Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked “Account Payee only” and would be drawn in favour of the sole/first Investors.

Adequate funds would be made available to the Registrar to the Issue for this purpose. The letter of Allotment / intimations would be sent by ordinary post.

In the case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the approval of the RBI, in case of non-resident Eligible Equity Shareholders or Applicants who remit their Application Money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made net of bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post to the address in India of the non-resident Eligible Equity Shareholders or Investors.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NACH– National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been

made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investor's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method. Our Company in consultation with the Lead Manager may decide to use NEFT as a mode of making refunds.
3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
4. RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Investors.
5. For all other Investors the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Applicant and payable at par.
6. Credit of refunds to Applicants in any other electronic manner permissible under the banking laws which is in force, and is permitted by the SEBI from time to time.

Refund payment to Non- residents

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment Advice / Share Certificates/ Demat Credit

Allotment Advice/ Share Certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Applicant or respective beneficiary accounts within 15 (fifteen) days, from the Issue Closing Date. In case our Company issues Allotment Advice, the respective Share Certificates will be dispatched within one month

from the date of the Allotment. Allottees are requested to preserve such Allotment Advice (if any) to be exchanged later for Share Certificates.

Option to receive Equity Shares in Dematerialised Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Applicant. Our Company has signed a tripartite agreement with NSDL on November 30, 2001 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on November 30, 2001 which enables the Applicants to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Investors who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a Depository Participant. Investors will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment Advice, refund order (if any) would be sent directly to the Investors by the Registrar to the Issue but the Investor's Depository Participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and /or dematerialized form should be made. If such CAFs are made, the CAFs for physical Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Equity Shares sought in demat and balance, if any, will be allotted in physical Equity Shares. Eligible Equity Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the electronic form is as under:

1. Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. For Eligible Equity Shareholders already holding Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of our Company are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Applicants and the names are in the same order as in the records of our Company/Depositories.
3. The responsibility for correctness of information (including Applicant's age and other details) filled in the CAF vis-à-vis such information with the Applicant's Depository Participant, would rest with the Applicant. Applicants should ensure that the names of the Applicants and the order in which they appear in CAF should be the same as registered with the Applicant's Depository Participant.
4. If incomplete / incorrect beneficiary account details are given in the CAF, then the procedure prescribed under Regulation 39(4) of the Listing Regulations, which corresponds to the procedure specified in the SEBI Circular number SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009, shall be followed.
5. The Rights Equity Shares allotted to Applicants opting for issue in dematerialized form, would be directly

credited to the beneficiary account as given in the CAF after verification. Allotment Advice, refund order (if any) would be sent directly to the Applicant by the Registrar to the Issue but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

6. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for Non-ASBA Applicants

- a) Please read the instructions printed on the enclosed CAF carefully.
- b) Application should be made on the printed CAF, provided by our Company except as mentioned under the heading titled "*Application on Plain Paper*" under this chapter titled "*Terms of the Issue*" beginning on page 122 of this Draft Letter of Offer and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Applicants, details of occupation, address, father's / husband's name must be filled in block letters.

The CAF together with the cheque / demand draft should be sent to the Bankers to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is / are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stock invest are liable to be rejected.

- c) Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Applicants, and in the case of application in joint names, each of the joint Investors should mention his / her PAN number allotted under the IT Act, 1961, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
- d) Investors, holding Securities in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
- e) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company.
- g) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant

investment under this Issue and to sign the application and a copy of the Memorandum of Association and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

- h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
- i) Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares, as the case may be, shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of Application Money, Allotment of Equity Shares, interest, export of Share Certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and issue of Equity Shares of our Company may be restricted by applicable securities laws.
- j) All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the Allotment Date in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the Allotment Date, should be sent to the Registrar and Transfer Agent of our Company, in the case of Equity Shares held in physical form and to the respective Depository Participant, in case of Equity Shares held in dematerialized form.
- k) SAFs cannot be re-split.
- l) Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.
- m) Investors must write their CAF number at the back of the cheque /demand draft.
- n) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.
- o) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.
- p) No receipt will be issued for Application Money received. The Bankers to the Issue / Escrow Collection Banks/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
- q) The distribution of this Draft Letter of Offer and issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Draft Letter of Offer and not to attempt to subscribe for Equity Shares.

- r) Investors shall be given an option to get the Equity Shares in demat or physical form.
- s) Investors are requested to ensure that the number of Securities applied for by them do not exceed the prescribed limits under the applicable law.

Do's for Non-ASBA Investors:

- a) Check if you are eligible to apply i.e. you are an Eligible Equity Shareholder on the Record Date.
- b) Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.
- c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- d) Ensure that your Indian address is available to us and the Registrar and Transfer Agent, in case you hold the Equity Shares in physical form or the Depository Participant, in case you hold Equity Shares in dematerialised form.
- e) Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF.
- f) Ensure that you receive an acknowledgement from the collection branch of the Bankers to the Issue for your submission of the CAF in physical form.
- g) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.
- h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
- i) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for Non-ASBA Investors:

- a) Do not apply if you are not eligible to participate in the Issue the securities laws applicable to your jurisdiction.
- b) Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Bankers to the Issue.
- c) Do not pay the amount payable on application in cash, by money order or by postal order.
- d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- e) Do not submit Application accompanied with stock invest.
- f) Do not submit CAF having the colour of ink specified for another class of Eligible Equity Shareholders.

Grounds for Technical Rejection for Non-ASBA Investors

Applicants are advised to note that applications are liable to be rejected on technical ground, including the following:-

1. Amount does not tally with the amount payable;
2. Bank account details (for refund) are not provided or available with the depositories or Registrar to the Issue, as the case maybe;
3. Age of Applicant(s) not given (in case of Renouncees);
4. Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;
5. PAN allotted under the IT Act has not been mentioned by the Applicant;
6. If the signature of the Applicant does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories;
7. CAFs are not submitted by the Applicants within the time prescribed as per the CAF and the Draft Letter of Offer;
8. CAFs not duly signed by the sole / joint Applicants;
9. CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue;
10. Submission of the CAFs to SCSBs;
11. Submission of plain paper Application to person other than Registrar;
12. CAFs accompanied by stock invest/ outstation cheques/ post-dated cheques/ money order/ postal order/outstation demand drafts;
13. In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID;
14. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Securities in compliance with all applicable laws and regulations;
15. CAFs which have evidence of being executed in/dispatched from restricted jurisdictions;
16. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided;
17. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;
18. In case the GIR number is submitted instead of the PAN;
19. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories;

20. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application;
21. Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000, not through ASBA process; and
22. Application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 2,00,000 but has applied separately through SAFs of less than ₹ 2,00,000 and has not been undertaken through the ASBA process.

Please read this Draft Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Draft Letter of Offer.

Investment by FPIs, FIIs and QFIs

In terms of the SEBI FPI Regulations, the issue of Securities to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Director followed by a special resolution passed by the shareholders of our Company. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI Foreign Institutional Investors Regulations, 1995. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all Registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the portfolio investment scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular number CIR/CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

Application made by asset management companies or custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/ CFD/ DIL/ 1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility, subject to their fulfilling the eligibility conditions to be an ASBA Investor. Further, all QIBs and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2,00,000, subject to their fulfilling the eligibility conditions to be an ASBA Investor.

Impersonation

As a matter of abundant caution, attention of the Applicants is specifically drawn to the provisions of Section 38 of the Companies Act which is reproduced below:

“Any person who-

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447”

Section 447 of the Companies Act further states that *“Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud: Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”*

Dematerialized dealing

Our Company has entered into agreements dated November 30, 2001 and November 30, 2001 with NSDL and CDSL, respectively, and its Equity Shares bear the ISIN INE694E01014.

Payment by stock invest

In terms of RBI Circular DBOD number FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stock invest Scheme has been withdrawn with immediate effect. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of application and Application Money

No acknowledgment will be issued for the Application Moneys received by our Company. However, the Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board of Directors reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money received will be refunded. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Applicant within a period of 15 (fifteen) days from the Issue Closing Date. In

case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the CAF carefully.

Utilizations of Issue Proceeds

Our Board of Directors declares that:

- a) All monies received out of this Issue shall be transferred to a separate bank account.
- b) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remain unutilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies has been utilized.
- c) Details of all such unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested, and
- d) Our Company will utilize the funds collected in the Issue only once the Basis of Allotment is finalized by the Designated Stock Exchange.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE and ASE, Stock Exchanges where the Equity Shares are to be listed will be taken within 7 (seven) Working Days of finalization of basis of Allotment.
3. The funds required for making refunds to unsuccessful Applicants as per the modes disclosed shall be made available to the Registrar to the Issue by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 (fifteen) days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. Except as disclosed in chapter titled “*Capital Structure*” beginning on page 39 of this Draft Letter of Offer, no further issue of securities affecting our Company’s equity capital shall be made till the Securities issued/ offered in the Issue are listed or till the Application Money are refunded on account of non-listing, under-subscription etc.
6. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
7. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to Non-ASBA applications while finalising the basis of Allotment.
8. At any given time there shall be only 1 (one) denomination for the Equity Shares of our Company.

9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

All enquiries in connection with this Draft Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super scribed “Kanpur Plastipack Limited - Rights Issue” on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Skyline Financial Services Private Limited

D-153/A, First Floor, Okhla Industrial Area, Phase I,
New Delhi, India - 110020.

Telephone Number: + 91-11-26812683 **Facsimile Number:** +91-11-26292681

Website: www.skylinerta.com **Email:** viren@skylinerta.com

Investor Grievance Email: grievances@skylinerta.com

Contact Person: Mr. Virender Rana

SEBI Registration Number: INRO00003241

CIN: U74899DL1995PTC071324

The Issue will remain open for a minimum 15 (fifteen) days. However, the Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

SECTION VIII – STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:00 A.M. to 5:00 P.M. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material contracts for inspection:

1. Issue agreement dated September 6, 2017 between our Company and Vivro Financial Services Private Limited.
2. Memorandum of Understanding/ Registrar Agreement dated August 28, 2017 between our Company and Skyline Financial Services Private Limited.
3. Escrow Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Escrow Collection Banks.
4. Tripartite agreement dated November 30, 2001 between our Company, NSDL and Skyline Financial Services Private Limited.
5. Tripartite agreement dated November 30, 2001 between our Company, CDSL and Skyline Financial Services Private Limited.

B. Material documents for inspection:

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended.
2. Certificate of Incorporation dated July 26, 1971 issued by Registrar of Companies, Kanpur, Uttar Pradesh.
3. Fresh Certificate of Incorporation dated December 9, 1985 consequent upon change of name issued by Registrar of Companies, Kanpur, Uttar Pradesh.
4. Resolution of the Board of Directors passed in its meeting dated May 29, 2017 in relation to this Issue and other related matters.
5. Copy of a resolution passed by our Board dated [●] finalizing the Issue Price, Record Date and the Rights Entitlement Ratio.
6. Consents of our Directors, our Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Bankers to our Company and Banker to the Issue* to include their names in this Draft Letter of Offer and to act in their respective capacities.
**Will be updated at the time of filing of Letter of Offer*
7. Letter dated August 24, 2017 from the Statutory Auditors of our Company, M/s. Pandey & Company, Chartered Accountants, confirming the Statement of Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Letter of Offer.
8. Annual Reports of our Company for the Financial Years 2017, 2016, 2015, 2014 and 2013.
9. Due Diligence certificate dated September 15, 2017 from Vivro Financial Services Private Limited.
10. In-principle listing approval dated [●] from BSE.
11. Observation Letter Number [●] dated [●] issued by SEBI for the present Rights Issue.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Mahesh Swarup Agarwal
(Chairman)

Mr. Manoj Agarwal
(Managing Director)

Ms. Usha Agarwal
(Director)

Mr. Shashank Agarwal
(Deputy Managing Director)

Mr. Sunil Mehta
(Executive Director)

Mr. Sobhagya Mal Jain
(Independent Director)

Mr. Prem S. Khamesra
(Independent Director)

Mr. Subodh Kumar
(Independent Director)

Dr. Ram Gopal Bagla
(Independent Director)

Mr. Akshay Kumar Gupta
(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Mr. Arvind Gunjan
(Chief Financial Officer)

Date: September 15, 2017

Place: Kanpur