

Over 40 Years of Excellence



41st Annual Report 2011-12



Providing solutions to Industrial Bulk Packaging



KANPUR PLASTIPACK LIMITED
A STAR EXPORT HOUSE



A few parting words

This is to inform you that having reached the age of 85 years, I have offered to resign as Executive Chairman of your Company.

Your Company started its operations as a SSI unit (Private Limited Company) on 16th September, 1972 for manufacture of Plastic Woven Sacks, a new item introduced in the Country for the first time to supplement Jute Sacking for packing industrial & agricultural products.

We were one of the first few to venture in this industry in the country. Having crossed very many hurdles, it took considerable time to stabilize our operations & the Company after being converted as a Public Limited Company went in for major expansion with Public Issue in 1986, which was over subscribed.

I recall that soon after in 1987 we faced tremendous obstacles in our operations due to restrictions imposed by Central Government on marketing of our Products, which resulted in continuous losses during subsequent years. The Company was referred to BIFR in 1991.

Adversities brings in opportunities, Exports were started and with efforts put in by the workforce and the Management Team, timely help of Bankers, Financial Institutions and not the least, the Devine blessings of Lord Hanuman Ji, we could rehabilitate ourselves and now since about 12 years with the young team of Professionals, the Company has been growing steadily. All these years we have been investing in upgrading our technologies and expanding capacities keeping pace with market developments. With the initial turnover of about ₹ 44 Lacs, now the turnover has reached to about ₹ 200 Crores with about 85% exports, which continues to be the thrust area.

Your Company is on a healthy growth curve. There are business opportunities in new areas, new Geographical locations & newer Technologies. I am glad that the team at KPL is geared up to handle and take advantage of all this. I am confident that under the leadership of the next generation, your company will continue to grow and prosper.

All these years, I have had the best of co-operation and guidance from Colleagues on the Board of Directors and I recognize whole heartedly the efforts of the workforce and Management Personnel. Patience of all of you having silently borne the difficult period between 1986-2002 is to be appreciated.

I have lived my life successfully, completely and joyfully and the time has come to call it a day. Co.'s operations are in safe hands. I am confident that all stakeholders, managers, workers & staff members will continue to give the same cooperation to Managing Director, Shri Manoj Agarwal as has been given to me.

With these words, I wish all of you a bright future. - *Hariom*

Mahesh Swarup Agarwal

Executive Chairman

7th August, 2012



KANPUR PLASTIPACK LIMITED

BOARD OF DIRECTORS

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

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

: Shri GAURAV ANAND

AUDITORS: PANDEY & COMPANY
Chartered Accountants
KANPUR**CORPORATE LAW ADVISORS**: ADESH TANDON & ASSOCIATES
Company Secretaries
KANPUR**BANKERS**

: STATE BANK OF INDIA

REGISTRAR AND SHARE TRANSFER AGENT: SKYLINE FINANCIAL SERVICES PVT. LTD.
D-153/A, 1ST FLOOR,
OKHLA INDUSTRIAL AREA, PHASE-I,
NEW DELHI-110 020**REGISTERED OFFICE**: D-19-20, PANKI INDUSTRIAL AREA,
KANPUR-208 022**UNITS**

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

FORTY-FIRST ANNUAL REPORT

NOTICE

Notice is hereby given that the FORTY-FIRST ANNUAL GENERAL MEETING OF KANPUR PLASTIPACK LIMITED will be held at its Registered Office at D-19-20, Panki Industrial Area, Kanpur – 208 022 on Saturday, the 15th day of September, 2012 at 12:00 Noon to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss account of the Company for the year ended 31st March, 2012 and Balance Sheet as at that date together with the Reports of Auditors and Directors thereon;
2. To consider declaration of Dividend;
3. To appoint a Director in place of Shri S.M. Jain, who retires by rotation and is eligible for re-appointment;
4. To appoint a Director in place of Dr G.N. Mathur, who retires by rotation and is eligible for re-appointment;
5. To appoint Auditors to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. **To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution :**
“RESOLVED THAT Shri Mahesh Swarup Agarwal, be appointed as “Chairman Emeritus” for life w.e.f. 1st September, 2012 on a honorarium of ₹ 2,00,000/- (Rupees Two Lacs only) per month.”

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 08.09.2012 to 15.09.2012 (both days inclusive). The entitlement to dividend on shares, if declared, will be determined on the basis of names registered as such in the Register of Members of the Company after giving effect to the valid share transfers in physical form lodged with the Company on or before 07.09.2012 and the beneficial owners as per the Beneficiary List at the close of the business hours on 07.09.2012 provided by NSDL and CDSL.
4. The members are hereby informed that the Company would transfer the dividends, which remain unpaid over a period of 7 years, to the Investor Education and Protection Fund (IEPF) constituted under Section 205C of the Companies Act, 1956. It is pertinent to mention that no claim of investors shall lie against IEPF. The details of unpaid dividend are as follows :-

S. No.	Dividend Year	Unpaid Balance as on 31/03/2012
1.	2004-05	₹ 2,68,471.00
2.	2005-06	₹ 2,11,348.20
3.	2006-07	₹ 3,41,964.00
4.	2007-08	₹ 3,43,244.00
5.	2008-09	₹ 2,11,215.60
6.	2009-10	₹ 3,32,620.00
7.	2010-11	₹ 3,44,658.00

Investors are advised to send all un-encashed dividend warrants pertaining to the years shown above to the Company for revalidation. It is further informed that unclaimed/ unpaid dividend pertaining to the Financial Year 2004-05 will become due for transfer to Investor Education and Protection Fund (IEPF) on 04/10/2012.

5. Members who have multiple folios with identical order of names are requested to intimate to the Company those folios to enable the Company to consolidate all shareholdings into one folio.
6. Members having any query(ies) relating to this Annual Report are requested to send their questions to Registered Office of the Company at least 7 days before the date scheduled for Annual General Meeting.
7. Members who hold shares in physical form are requested to intimate to the Company Bank mandate under the signature of Sole/first named joint shareholder specifying Bank's name, Name and Address (with PIN No.) of the Branch, Account Type - Saving (SA) or Current (CA) and Account No.
8. In case of physical transfer or transmission of shares, copy of PAN Card of the transferee is mandatory.
9. Investors holding shares in physical form are advised to opt for Electronic Clearing System (ECS) to avail fast and safe remittance of dividend. A photocopy of a leaf of your Cheque book bearing your Account Number may also be sent along with mandate.
10. Members are requested to notify promptly changes in their address quoting their Registered Folio Nos. to the Company or its RTA.
11. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the Shareholders in respect of shares held by them. The nomination can be made by filing the prescribed Form No. 9B. Nomination forms may also be requisitioned from the Company.
12. Investors who have not yet dematerialised their physical holding in the Company are advised to avail the facility of dematerialisation.
13. Members / Proxies are requested to bring attendance slip duly filled along with their copies of Annual Report in the meeting.
14. Members are requested to fill in and send the Feedback Form provided in the Annual Report or request letter to register / update their e mail id.
15. All material documents are open for inspection by the members on all working days at the Registered Office of the Company till the conclusion of the Annual General Meeting.
16. Details of Directors as required under Clause 49 of the Listing Agreement with the Stock Exchange seeking re-appointment at the forthcoming Annual General Meeting are as under:

Shri S. M. Jain, aged 74 years, is M.Com, ICWA and a retired top executive having served as Finance Director, MD and CMD of Various PSUs. He is able administrator and always provides valuable guidance and advice to the Company. In view of his knowledge and experience, the Board proposes to re-appoint him in the Board of the Company.

Dr. G. N. Mathur, aged 67 years, is Bachelor of Science (B.Sc.) in Chemical Engineering from Banaras Hindu University, M.Tech. From IIT Kanpur, M.A.Sc (Chem. Engg.), University of Windsor, Canada and Ph.D. in Engineering from University of Detroit, Detroit, USA. He is having 35 years of diversified academic and industrial experience in various prestigious organisations. He provides technical support as and when needed. In view of his knowledge and experience, the Board proposes to re-appoint him in the Board of the Company.

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

Place : Kanpur
Date : 07th August, 2012

GAURAVANAND
Company Secretary

FORTY-FIRST ANNUAL REPORT

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

Shri Mahesh Swarup Agarwal (aged 85 years) is the founder of the Company and during the last over 40 years has guided the Company's operations successfully. The Company having started as an SSI unit has today established itself as a major manufacturer and exporter of its products. During these over 40 years many hurdles were faced but under his able leadership and with the co-operation of management personnel and workforce, the Company has successfully overcome all those hurdles.

He has expressed his wish to be relieved from day to day operations of the Company w.e.f. 1st September, 2012. He was re-appointed as Executive Chairman of your Company w.e.f. 1st September, 2011 for a period of three years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956. However keeping in mind his age, it is expedient to relieve him from day to day operations of your Company and take his valuable guidance as an honorary "Chairman Emeritus".

The Board recommends passing of this resolution as Ordinary Resolution.

None of the Directors, except Shri Mahesh Swarup Agarwal for himself and Shri Manoj Agarwal, Managing Director and Shri Shashank Agarwal, Director (Technical), being relatives are concerned or interested in the said resolution.

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

Place : Kanpur
Date : 07th August, 2012

GAURAV ANAND
Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and allowed the service of notice / documents including Annual Report by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register / update their e-mail id with their Depository Participant (in case of Demat holding) / Company or its Registrar (in case of physical holding) to enable the Company to send the above through e-mail instead of physical form.

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

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in submitting the 41st Annual Report together with Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS:

	2011-12	2010-11
		(₹ in Lacs)
Sale of products	18,362.40	11,758.43
Other Income	333.52	76.74
Total Income	18,695.92	11,835.17
Net Profit after tax	1,036.92	347.27
Appropriation:		
Transfer to General Reserve	160.00	—
Proposed Equity Dividend	79.59	53.06
Dividend on Preference Shares	24.00	8.00
Tax on Dividend	16.81	9.91
Balance carried to Balance Sheet	1,918.31	1,183.58

REVIEW OF OPERATIONS:

During the year, both production and sales have considerably grown, thus there is continuous improvement in the operations of the Company. The results of upgradation and modernization of Plant and Machinery are evident.

It is a matter of satisfaction that the Company has achieved an all time record in its sales and profits. The Net profit stands at ₹ 1036.92 Lacs as against ₹ 347.27 Lacs in the previous year. The improved performance was a result of favourable market conditions enabling the Company's successful entry into South American markets and better capacity utilization.

During the year Bonus Shares in the ratio of 2:1 (1 Bonus Equity Share each for every 2 existing Equity Shares) were allotted to the existing shareholders. Thus Equity Share Capital of the Company stands at ₹ 79,592,470 i.e. 79,59,247 Equity Shares of ₹ 10/- each fully paid up.

The trading activities as Del Credere Associate Cum Consignment Stockist of Indian Oil Corporation Limited (IOCL) have stabilized and is showing improved performance.

DIVIDEND:

Your Directors have recommended a dividend of ₹ 1/- per Equity Share for the year 2011-12 on enhanced Equity Share Capital. Dividend on Preference Shares is being recommended @ 12% according to the terms of their issue.

PROSPECTS:

With the successful implementation of its modernization programmes and activities undertaken during the year, it is expected that your Company will continue to give improved performance in the years to come. Encouraged by the

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performance in the Financial Year 2011 – 2012, the Management is now focussing on further expanding its presence in the international markets. The Management hopes to undertake a major expansion in the year 2012 - 2013 to carry on the momentum of growth.

The Multifilament Yarn division has showered up opportunities in terms of value added products which the management hopes to utilize in times to come.

FIXED DEPOSITS :

The Company has total fixed deposits of ₹ 313.50 Lacs (including interest accrued thereon) as on 31/03/2012. This is to confirm that there are no overdue, unpaid / unclaimed deposits. The interest has also been paid in time to all deposit holders.

DIRECTORS :

Shri S. M. Jain and Dr G. N. Mathur are the Directors retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. In view of the valuable guidance and support received from them, your Directors recommend their re-appointment.

Shri Mahesh Swarup Agarwal, having attained the age of 85 years has expressed his wish to be relieved from day to day operations of the Company and has tendered his resignation as Executive Chairman to be effective from 1st September, 2012. The Board acknowledges and appreciates his contributions as an able leader & valuable guide which resulted in the extraordinary growth which the Company has achieved during the last over 40 years from a SSI unit to the present status. The Board regretfully accepted his resignation but recommends that he be appointed as “Chairman Emeritus” for life on such honorarium as the members may approve so that the Company continues to obtain his valuable advice and guidance from time to time for the benefits of the Company.

CORPORATE GOVERNANCE :

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

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

Information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo for the financial year 2011-12 are annexed as Annexure ‘B’ which forms part of this Report.

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

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

LISTING :

The Equity Shares of Company continue to be listed at Bombay Stock Exchange. We confirm that the Listing Fees for the financial year 2011-12 has been paid.

AUDITORS :

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

COSTAUDITOR :

Pursuant to MCA Cost Audit Order No. 52/26/CAB-2010 dt. 24.01.2012 read with Sec. 233B of the Companies Act, 1956, the Company has appointed M/s Rakesh Misra & Co. Cost Accountants to conduct audit of Cost accounting records of the Company in accordance with the said order read with Companies (Cost Audit Report) Rules, 2011 & other statutory updates for the Financial Year 2012-13.

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the Annual Accounts of the Company on a going concern basis.

ACKNOWLEDGEMENT :

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

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

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

Place : Kanpur
Date : 07th August, 2012

For and on behalf of the Board
MAHESH SWARUP AGARWAL
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY :

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

2. BOARD OF DIRECTORS :

As on 31st March, 2012, the Board of Kanpur Plastipack Limited consisted of four Whole Time Directors and four Non-Executive Directors all of whom are independent Directors. The composition of the Board and other relevant details relating to Directors during the financial year 2011-12 are as under :

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM	No. of other Directorship	No. of other Committee Chairmanship	No. of other Committee Membership
Shri Mahesh Swarup Agarwal	Promoter -Executive	6	Yes	3	—	—
Shri Manoj Agarwal	Promoter -Executive	6	Yes	3	—	—
Shri Shashank Agarwal	Promoter -Executive	4	No	3	—	—
Shri Sunil Mehta	Executive	4	Yes	1	—	—
Shri Soubhagya Mal Jain	Non Executive & Independent	5	Yes	—	—	—
Shri Pradeep Kumar Goenka	Non Executive & Independent	6	Yes	6	2	2
Shri. Prem S. Khamsera*	Non Executive & Independent	3	Yes	8	—	—
Dr. Gyanesh Narayan Mathur	Non Executive & Independent	1	No	4	—	—
Dr. Jagan Nath Gupta **	Non Executive & Independent	2	No	1	1	—

* Introduced to the Board as an Additional Director w.e.f. 30.07.2011 and regularised as Director on 27.09.2011.

** Resigned from the Board on 27.09.2011.

Details of Board Meetings held during the year 2011-12 :

During the year 2011-12, six Board Meetings were held. The details of meeting are as under:-

S. No.	Date of Board Meeting	Strength of Board	No. of Members Present
1	12 th May, 2011	8	7
2	30 th July, 2011	8	6
3	27 th September, 2011	8	6
4	07 th November, 2011	8	6
5	18 th November 2011	8	4
6	13 th February, 2012	8	8

The last Annual General Meeting of the Company was held on 27th September, 2011.

During the year, all the requirements under Clause 49 of the Listing Agreement have been complied with. The

declaration to this effect has been given by the Managing Director, which is reproduced at the end of this report. The information as required under Annexure IA to Clause 49 has been made available to the Board.

3. AUDIT COMMITTEE :

The Audit Committee was duly constituted comprising 3 independent Directors namely Shri S.M. Jain as Chairman, Shri P.K. Goenka & Shri Prem S Khamesra as members. Dr J.N. Gupta had been a member of Audit Committee for 2 meetings and pursuant to his resignation from the Board and consequently from the Audit Committee, Shri Prem S. Khamesra was inducted as member in his place. Four Audit Committee meetings were held during the year 2011-12 .The details of the meetings are as under:-

S. No.	Date	Committee Strength	No. of members present
1.	12 th May, 2011	3	3
2.	30 th July, 2011	3	3
3.	07 th November, 2011	3	3
4.	13 th February, 2012	3	3

The terms of reference of the Audit Committee include review of Quarterly, Half-Yearly and Annual Financial Statements before submission to the Board for its approval, to review adequacy of internal control system, to apprise the Board on the impact of accounting policies, accounting standards and legislation, to hold periodical discussions with Statutory and Internal Auditors on the scope and content of the audit and to review the Company's financial and risk management policies. The members of the Committee are well versed in matters relating to finance, accounts, company law, other economic legislation and general management practices.

4. REMUNERATION COMMITTEE :

The Board has duly constituted the Remuneration Committee consisting of three Non-Executive Independent Directors viz. Shri P.K. Goenka as Chairman, Shri Prem S. Khamesra and Shri S.M. Jain as the members of the Committee. Shri Prem S. Khamesra was appointed as member of the said Committee pursuant to resignation of Dr J.N.Gupta from the Board w.e.f. 27.09.2011 and consequently from the said Committee. The Committee, *interalia*, looks into the matters of fixation of salary, perquisites, commission payable to the Directors of the Company etc. One meeting of this Committee was held during the F.Y. 2011-12. The meeting was held on 30.07.2011 which was attended by the full strength of Committee members.

The Company does not pay any remuneration to its non executive directors, except sitting fee for attending the Board Meetings @ ₹ 5,000/- and ₹ 500/- for attending each meeting of Audit / Remuneration Committee, besides reimbursement of expenses of travelling etc. The Company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees to them for attending Board and Committee Meetings. The details of remuneration paid to Directors of the Company during the year 2011-12 are as under :-

(₹ in Lacs)	
i. Salary	105.02
ii. Contribution to P.F.	8.67
iii. Perquisites	12.24
iv. Sitting Fee	0.96
Total	<u>126.89</u>

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

Sl. No.	Name	Designation	Total Salary p.a.(In ₹)
1.	Shri M. S. Agarwal	Executive Chairman	48.17
2.	Shri Manoj Agarwal	Managing Director	45.62
3.	Shri A. K. Bhatnagar*	Executive Director	6.28
4.	Shri Shashank Agarwal	Director (Technical)	12.40
5.	Shri Sunil Mehta	Director (Operations)	13.46

*Shri A. K. Bhatnagar had resigned from Board w.e.f. 24.01.2011, but was released from executive position on 30.04.2011

5. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE :

Shareholders'/ Investors' Grievance Committee was constituted under the Chairmanship of Shri P.K. Goenka, a Non-

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Executive & Independent Director. Other two members are Shri M. S. Agarwal and Shri Manoj Agarwal. During the year 2011-12, four Committee Meetings were held during the year. Details of the Meeting are as under.:

S. No.	Date	Committee Strength	No. of members present
1.	12 th May, 2011	3	3
2.	30 th July, 2011	3	3
3.	07 th November, 2011	3	3
4.	13 th February, 2012	3	3

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

During the year 2011-12, all the complaints received by the Company and / or registrar of the company were generally solved to the satisfaction of complainants and there was no pending complaint.

6. GENERAL BODY MEETING :

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

2010-11

Date and Time : 27th September, 2011 at 1:00 P.M.

Special Resolution : Re-Appointment of :

1. Shri Mahesh Swarup Agarwal, Executive Chairman with fresh terms and condition for a period of 3 years w.e.f. 01.09.2011.
2. Shri Manoj Agarwal, Managing Director with fresh terms and condition for a period of 3 years w.e.f. 01.09.2011.
3. Revision of terms and conditions of appointment of Shri Shashank Agarwal Director (Technical) for the remaining tenure of his present term.

2009-10

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

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

2008-09

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

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

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

7. DISCLOSURES :

- (a) There was no materially significant related party transaction i.e. transaction of material nature with its promoters, directors or management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts forming part of the Annual Report.
- (b) During the year 2011-12 :-
 1. No person has been denied access to the Audit Committee;
 2. The Company has complied with all the mandatory requirements and most of the non mandatory requirements specified in Clause 49 of the Listing Agreement; and
 3. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or by any statutory authority on any matter related to capital markets during last three years.

8. MEANS OF COMMUNICATION :

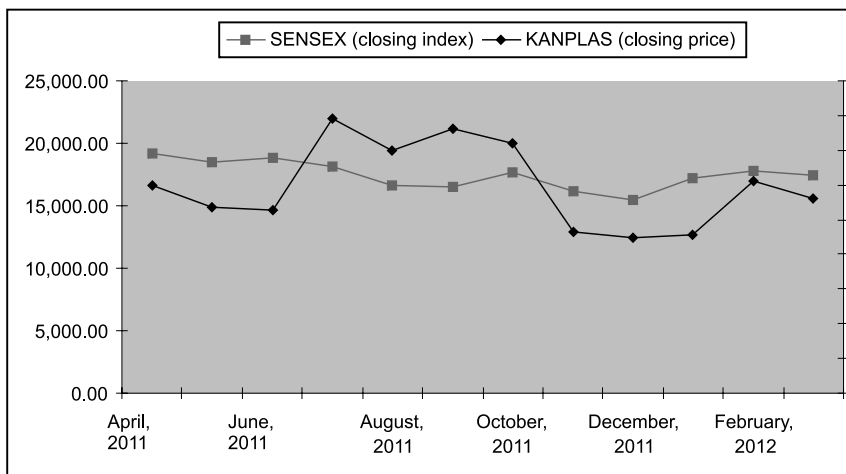
The quarterly, half yearly and annual results of the Company are sent to the Stock Exchange, where the Company's shares are listed, immediately after they are approved by the Board. These are also published in local Hindi newspaper and in a National English Daily as per the Listing Agreement. The Annual Report and other information are also available on the website of the Company i.e. www.kanplas.com. The Annual Report is being sent through email to members whose email ids are registered with Company as part of Green Initiative Concept of Ministry of Corporate Affairs.

10. GENERAL SHAREHOLDER INFORMATION :

- (i) **Annual General Meeting** : Date : 15th September, 2012
Time : 12.00 Noon
Venue : D-19-20, Panki Industrial Area, Kanpur 208 022.
- (ii) **Financial Year** : 1st April 2011 to 31st March 2012
- (iii) **Date of Book Closure** : from 08.09.2012 to 15.09.2012 (both days inclusive).
- (iv) **Dividend payment date, if declared** : 28th September, 2012
- (v) **Listing on Stock Exchanges** : Bombay Stock Exchange, Mumbai
The Company is up-to-date on the payment of Annual Listing fees
- (vi) **Stock Code** : 507779
- (vii) **Market Price Data at Bombay Stock Exchange (BSE) :**

Month	High (₹)	Low (₹)
April 2011	33.45	26.40
May 2011	30.50	23.60
June 2011	28.70	24.70
July 2011	40.10	25.10
August 2011	45.50	29.70
September 2011	41.25	34.05
October 2011	39.00	34.95
November 2011	48.40	21.20
December 2011	24.90	18.00
January 2012	25.00	19.00
February 2012	35.40	22.10
March 2012	32.35	26.60

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



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

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(x). **Share Transfer System :-**

The shares received for transfer in physical form are processed by RTA and the Share Certificates are returned after authorisation by the Company, within a period of 30 days from the date of receipt, subject to the documents being valid & complete in all respects. Any transferee who wishes to get the shares dematerialized may approach any of the Depository Participants (DP) along with a duly filled Demat Request Form.

(xi). **Shareholding Pattern as on 31st March, 2012 :**

Category	No. of shares held	Percentage of Shareholding
Promoters	55,07,092	69.19
Mutual Funds and UTI	—	—
Financial Institutions, Banks and Insurance Companies	—	—
Private Corporate Bodies	1,55,220	1.95
FII's	—	—
Indian Public	20,25,548	25.45
NRI's/OCBs	2,71,387	3.41
TOTAL	79,59,247	100%

(xii) **Distribution of Shareholding as on 31st March 2012 :**

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1-5000	6402	93.38	1172724	14.73
5001-10000	218	3.18	159844	2.01
10001-20000	110	1.60	160678	2.02
20001-30000	35	0.51	89104	1.12
30001-40000	14	0.20	48515	0.61
40001-50000	14	0.20	64137	0.81
50001-100000	28	0.41	177894	2.24
More Than 100000	35	0.51	6086351	76.47
Total	6856	100	7959247	100

(xiii) **Dematerialization of shares :-**

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

As on 31st March 2012, 88.94% equity shares of the Company are in dematerialized mode.

(xiv) **Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and impact on equity** : Not Applicable

(xv) **Registered Office & Works :**

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

(xvi) **Address for Investor Correspondence :**

- For shares held in Physical Form & for any query on the Annual Report : Kanpur Plastipack Ltd.
D-19-20, Panki Industrial Area,
Kanpur-208 022
- For Shares in Demat Form : Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor, Okhla Industrial Area, Phase-I,
New Delhi-110020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(i) Industry Structure & Development

The Company is mainly engaged in manufacturing and export of FIBC (Jumbo bags) and Woven Sacks. Exports are rising and about 80 percent of the revenue comes from exports. The Company has decided to gradually withdraw from the domestic market and concentrate on value added efforts in South America with success. The North American market is picking up and is showing better sales. The downturn in Europe is a potential threat which will however be overcome by rigorous efforts in U.S.A and South America.

(ii) Opportunities, Threats & Challenges

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

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

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

(iii) Segment wise or product wise performance

The Company operates in two primary business segments viz Manufacturing of Fabrics, Woven Sacks and FIBC's and as Consignment Stockist of Indian Oil Corporation Limited. The performance of manufacturing activity has already been discussed in Directors' Report.

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

(iv) Outlook

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

(v) Risks and Concerns

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

(vi) Internal Control System

The Company has adequate system of internal controls with regards to purchase of stores, raw materials including components, plant & machinery, equipment, sale of goods and other assets. The internal control system is supplemented by well documented policies and guidelines and is conducted by outside auditing firm. Internal audit reports are periodically put to and are reviewed by the Audit Committee and top Management on a quarterly basis.

(vii) Financial and Operational performance

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

(viii) Human Resource Development

Human resource is most important resource in management and needs to be used efficiently. This is because success, stability and growth of an organization depend on its ability in acquiring, utilizing and developing the human resources for the benefit of the organization. The Company views its employees as valuable resources who are important stakeholders in the growth, prosperity and development of the organization. The Company is committed to provide necessary training / conducts development programmes to imbibe the necessary skills

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required to operate in the international environment. The management of the Company enjoys cordial relations with its employees at all levels.

The Company also facilitates impartial performance appraisal for its employees which enable the management of the Company to enjoy and maintain its cordial relations with its employees at all levels.

(ix) Cautionary Statement

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

DECLARATION

I, Manoj Agarwal, Managing Director of Kanpur Plastipack Limited, hereby declare that, pursuant to Clause 49 of the Listing Agreement, all the members of the Board and the Senior Management personnel have affirmed their compliance with the Code of Conduct for the year ended 31st March, 2012.

For Kanpur Plastipack Limited

Place : KANPUR
Date : 07th August, 2012

MANOJ AGARWAL
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have reviewed the compliance of the conditions of Corporate Governance by Kanpur Plastipack Limited, for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

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

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

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

Place : Kanpur
Date : 30th May, 2012

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

ANNEXURE 'B' TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY :

	2011-12	2010-11
1. POWER & FUEL CONSUMPTION		
Electricity		
a) Purchased :		
– Units	1,24,50,234	1,00,13,620
– Total Amount (₹ in lacs)	575.08	452.76
– Rate / Unit (₹)	4.62	4.52
b) Own Generation :		
– Units	27,49,202	20,94,952
– Total Amount (₹ in lacs)	183.89	124.11
– Rate / Unit (₹)	6.69	5.92
2. CONSUMPTION PER UNIT OF PRODUCTION (KG)		
i) Electricity	0.90	1.00
ii) Own Generation	0.20	0.21
iii) Total Units	0.10	1.21

B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION :

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

	(₹ in lacs)
(i) Earnings on FOB value basis	14732.80
(ii) Total Expenditure in Foreign Currency	
(a) Expenditure on Import of Raw Materials and Spare Parts	3928.24
(b) Expenditure on Export Promotion Tour	7.32
(c) Expenditure on Plant & Machinery and others	406.34

AUDITORS' REPORT

The Members of
Kanpur Plastipack Ltd.,
Kanpur.

1. We have audited the attached Balance Sheet of Kanpur Plastipack Limited ("the Company") as at 31st March, 2012, the Profit and Loss account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) Amendment Order 2004 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) on the basis of written representation received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - (vi) in our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - (b) in the case of the Profit and Loss Account of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For PANDEY & CO.
Chartered Accountants

Place : Kanpur
Date : 30th May, 2012

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

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in our report to the members of Kanpur Plastipack Limited (“the Company”) for the year ended 31st March, 2012. We report that :

- I. In respect of its fixed assets :
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. Assets have been physically verified by the Management during the year, there is regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. Fixed assets disposed off during the year were not substantial and therefore do not effect the going concern status of the Company.
- II. In respect of its inventories :
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory, the discrepancies noticed on verification between the physical stock and the book records were not material.
- III. The company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- V. In respect of the contracts and arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanation given to us:
 - a. The particulars of the contracts and arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section.
 - b. In our opinion contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are prima facie reasonable, having regard to prevailing market prices at the relevant time where such prices are available.
- VI. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- VII. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- VIII. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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IX. In respect of Statutory Dues :

- a. According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Excise Duty, Wealth Tax, Custom Duty, Service Tax, Cess, Investor Education and Protection Fund, Employees' State Insurance, and other statutory dues applicable to it.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Excise Duty, Wealth Tax, Custom Duty, Service Tax, Cess and other applicable statutory dues were in arrears as at 31st March 2012 for a period of more than six months from the date they become payable.
- c. According to the information and explanation given to us, following are the details of the disputed Income Tax, Excise Duty Dues:-

Income Tax :

- a. For Assessment Years 1995-96 to 1997-98, the department reopened the cases and made Arbitrary additions in respective year. The Company went into Appeal in all the cases and they were decided at Income Tax Appellate Tribunal, Lucknow in favour of the Company. Department granted refund and simultaneously has filed appeals with Hon'ble High Court, Allahabad in respective cases, which have not yet been admitted for any of the Assessment years.
- b. For the assessment years 2001-02, the A.O. made arbitrary additions On certain points, the Company had paid the alleged demand and went into appeal with ITAT and partially favourable orders were made by the Tribunal. After giving effect to the orders of the Tribunal, a refund was granted by the Assessing Officer. Simultaneously, the Company has gone into appeal only on one point sustained disallowance deduction claimed u/s 80HHC amounting to Rs.52.74 lacs with Hon'ble Allahabad High Court, Lucknow Bench, which has been admitted and is pending for disposal.
- c. For assessment Years 2002-03, 2003-04 & 2004-05, where the cases were re-opened and for the regular assessment of Assessment Year 2008-09, certain arbitrary additions were made by A.O.. The Company had gone for appeal in all the cases with CIT Appeals, Kanpur and in appeal CIT (A) -2, Kanpur has fully allowed the appeal for A.Y.2002-03 & 2004-05 in favour of the company and Appeal for the A.Y.2003-04 & A.Y.2008-09 were partially allowed in favour of the company. After giving effect to the orders of CIT (A)-2, Kanpur A.O. has granted refund and simultaneously filed appeals with ITAT Lucknow in all the cases.
- d. For Assessment year 2005-06 to 2007-08, arbitrary additions were made by A.O. .The company has gone for Appeal before ITAT Lucknow and On appeal, all the cases were decided partly in favour of the Company. After giving effect of the orders of ITAT, A.O. has granted refund and simultaneously filed appeals with Allahabad High Court Allahabad which have not yet been admitted for any of the Assessment years.
- e. For Assessment year 2009-10, assessment has been completed and the demand raised has been paid.
- f. Penalty proceeding u/s 271(1)(c) regarding Assessment Years 2002-03 to 2004-05 and 2008-09 are pending for disposal, as the Income Tax Department appeals are pending at ITAT Lucknow. However, the penalty proceeding for A.Y.2009-10 has been dropped by A.O.

Excise Duty :

In respect of Company's claim with Central Excise authorities regarding wrong classification of product, which was partially settled and the company was allowed consequential relief in November, 1998, the appeal of the Department against the same was rejected by the CEGAT and contention of the company was accepted and refund of ₹ 1.16 crores was granted. However, the department has filed reference, which is pending with the Allahabad High Court.

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

Place : Kanpur
Date : 30th May, 2012

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

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BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

Particulars	Note No.	As at 31 st March, 2012	As at 31 st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
a) Share capital	1	995.92	730.63
b) Reserves and Surplus	2	2,132.64	1,503.22
		3,128.56	2,233.85
(2) Non-Current Liabilities			
a) Long-Term Borrowings	3	2,262.90	2,029.80
b) Deferred Tax Liabilities (Net)	4	352.59	287.85
c) Other Long Term Liabilities		-	-
d) Long Term Provisions	5	213.01	190.43
		2,828.50	2,508.08
(3) Current Liabilities			
a) Short-Term Borrowings	6	3,618.14	2,876.90
b) Trade Payables	7	509.56	665.14
c) Other Current Liabilities	8	587.58	464.95
d) Short-Term Provisions	9	653.74	217.60
		5,369.02	4,224.59
TOTAL		11,326.08	8,966.52
II. ASSETS			
(1) Non-Current Assets			
a) i) Fixed Assets	10	4,583.43	3,961.45
ii) Capital Work in Progress		49.60	66.26
b) Non-current investments	11	84.65	0.75
c) Long term loans and advances	12	251.54	69.29
d) Other non-current assets	13	33.55	31.74
		5,002.77	4,129.49
(2) Current Assets			
a) Current investments		-	-
b) Inventories	14	2,527.54	2,575.66
c) Trade receivables	15	2,926.60	1,719.11
d) Cash and cash equivalents	16	185.26	130.28
e) Short-term loans and advances	17	683.91	411.98
f) Other current assets		-	-
		6,323.31	4,837.03
TOTAL		11,326.08	8,966.52

III. Significant Accounting Policies and Notes to Accounts

1-26

As per our report of even date attached

For PANDEY & CO.

Chartered Accountants

AMIT PANDEY

Partner

Membership No. 402377

Firm Reg. No. 000357C

KANPUR

Dated : 30th May , 2012

GAURAVANAND
Company Secretary

For and on behalf of the Board of Directors

M. S. AGARWAL, *Executive Chairman*

MANOJ AGARWAL, *Managing Director*

P. K. GOENKA, *Director*

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

Particulars	Note No.	2011-12	2010-11
I. Revenue from operations	18	18,362.40	11,758.43
II. Other Income	19	333.52	76.74
III. TOTAL REVENUE (I+II)		18,695.92	11,835.17
IV. Expenses :			
a) Materials Consumed	20	11,475.70	7,481.47
b) Purchases of stock-in-Trade		-	257.70
c) Changes in Inventories (Increase)/ decrease in stock	21	271.07	(391.03)
d) Employee benefit Expenses	22	906.18	664.26
e) Depreciation and Amortization of Assets	10	245.87	180.70
f) Finance Costs	23	631.95	406.14
g) Other Expenses	24	3,628.49	2,729.35
TOTAL EXPENSES		17,159.26	11,328.59
V. Profit before exceptional and Extraordinary items and Tax		1,536.66	506.58
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		1,536.66	506.58
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		1,536.66	506.58
X. Tax Expenses :			
a) Current Income Tax		435.00	74.82
b) Deferred Income Tax		64.74	84.49
		499.74	159.31
XI. PROFIT FOR THE YEAR AFTER TAX		1,036.92	347.27
XII. Earning per equity Share (in ₹)		12.32	5.70
XIII. Significant Accounting Policies and Notes to Accounts	1-26		

As per our report of even date attached

For PANDEY & CO.
Chartered Accountants
AMIT PANDEY
Partner

Membership No. 402377
Firm Reg. No. 000357C

KANPUR

Dated : 30th May , 2012

GAURAVANAND
Company Secretary

For and on behalf of the Board of Directors

M. S. AGARWAL, *Executive Chairman*
MANOJ AGARWAL, *Managing Director*
P. K. GOENKA, *Director*

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Pursuant to Clause 32 of the Listing Agreement with the Stock Exchanges)

(₹ in Lacs)

Particulars	2011-12	2010-11
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	1536.66	506.58
Adjustments for :		
Depreciation	245.87	180.70
Miscellaneous Expenditure	1.45	1.45
Investments	–	–
Profit / (Loss) on Sale of Fixed Assets	0.05	(7.66)
Interest Received	(42.74)	(14.48)
Interest Paid	631.95	406.14
Adjustments relating to earlier Year Income / (Expenses)	7.05	0.79
Dividend Received	0.00	(0.15)
Operating Profit before working capital changes	2380.29	1073.37
Adjustments for :		
Trade and Other Receivables	(1,664.93)	(274.74)
Inventories	48.12	(794.43)
Trade Payables, Other Liabilities & Provisions	409.25	277.01
Cash Generated from operations	1172.73	281.21
Income Tax (excl. Deferred Tax)	(463.84)	(119.53)
Cash Flow before extraordinary items	708.89	161.68
Extraordinary Items	0.00	0.00
Net cash from operating activities	708.89	161.68
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(893.47)	(1,464.14)
Capital Work -in-progress	16.66	(23.03)
Sale of Fixed Assets	25.62	63.69
Acquisition of Companies	–	–
Purchase of Investments	(83.91)	–
Sale of Investments	–	27.86
Interest Received	42.74	14.48
Dividend Received	–	0.15
Profit / (Loss) on Sale of Fixed Assets	(0.05)	7.66
Net Cash used in Investing activities	(892.41)	(1,373.33)

KANPUR PLASTIPACK LIMITED

(₹ in Lacs)

Particulars	2011-12	2010-11
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Share Capital allotted as Bonus shares (Right Issue)	265.30	200.00
Decrease in Share premium/General Reserve utilisation for issue of Equity Shares	(265.30)	–
Proceeds from Long Term Borrowings	–	–
a) Secured (Bank / Institutions)		
For Working Capital	741.24	939.66
For Fixed Assets	249.62	617.47
b) Unsecured		
Interest Paid	(631.95)	(406.14)
Dividend Paid / Proposed (incl. Dividend Tax)	(120.41)	(70.97)
Net Cash used in Financing Activities	238.50	1280.02
NET INCREASE IN CASH AND CASH EQUIVALENTS	54.98	68.37
Cash and Cash Equivalents as at 31.03.2011 (Opening Balance)	130.28	61.91
Cash and Cash Equivalents as at 31.03.2012 (Closing Balance)	185.26	130.28

As per our report of even date attached

For PANDEY & CO.
Chartered Accountants
AMIT PANDEY
Partner

Membership No. 402377
Firm Reg. No. 000357C

KANPUR

Dated : 30th May, 2012

GAURAV ANAND
Company Secretary

For and on behalf of the Board of Directors

M. S. AGARWAL, *Executive Chairman*
MANOJ AGARWAL, *Managing Director*
P. K. GOENKA, *Director*

AUDITORS' CERTIFICATE

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

We have examined the attached Cash Flow Statement of Kanpur Plastipack Limited for the year ended 31st March, 2012. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with Stock Exchanges and is based on an agreement with the corresponding statement of Profit & Loss Account and Balance Sheet of the Company covered by our report dated 30th May, 2012 to the Members of the Company.

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

Kanpur

Dated : 30th May, 2012

FORTY-FIRST ANNUAL REPORT

Notes forming integral part of the Balance Sheet as at 31st March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
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NOTE - 1

SHARE CAPITAL

1. Authorised

(in Lacs) 160.00 (80.00) Equity Shares of Rs.10/- Each	1,600.00	800.00
(in Lacs) 40.00 (20.00) Preference Shares of Rs.10/- Each	400.00	200.00
	2,000.00	1,000.00

2 Issued, subscribed and paid up

(in Lacs) 79.59 (Previous year (in Lacs) 53.06) Equity Shares of Rs. 10/- each fully paid up

Opening of Equity Shares	530.63	530.63
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Add : 1. Bonus Shares issued by Capitalisation of Securities Premium and Reserves in 2011-12	265.29	—
--	--------	---

2. (in Lacs) 20.00 (20.00) 12% Redeemable Cumulative Preference Shares of Rs. 10/- each fully paid up.	795.92	530.63
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	200.00	200.00
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2.1 Out of 79,59,300 Equity Shares, more than 5% holding are as under :	995.92	730.63
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S.No.	Name of the Shareholder	No. of Shares	Percentage (%)
a)	Mahesh Swarup Agarwal	13,95,000	17.53%
b)	Usha Agarwal,	9,88,000	12.41%
c)	Manoj Agarwal,	6,10,000	7.66%
d)	Shashank Agarwal,	4,72,000	5.93%
e)	KSM Exports Limited,	4,18,000	5.25%
f)	MSA Investments & Trading Company Pvt. Ltd.	4,99,000	6.27%

Notes forming integral part of the Balance Sheet as at 31st March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
NOTE - 2		
RESERVES AND SURPLUS		
Securities Premium reserve		
– Opening Balance	206.87	206.87
<i>Less</i> : Utilised in Issuing of Bonus Shares	206.87	–
	–	206.87
General Reserve		
– Opening Balance	112.77	112.77
<i>Less</i> : Utilised in Issuing of Bonus Shares	58.44	–
<i>Add</i> : Transferred from statement of Profit & Loss	160.00	–
	214.33	112.77
Surplus in Statement of Profit and Loss		
1) Opening Balance	1,183.58	951.20
2) <i>Add</i> : Profit for the Year	1,036.92	347.27
3) Adjustments relating to earlier Year Income / (Expenses)	7.05	0.79
<i>Less</i> : Tax for Earlier Years	28.84	44.71
	2,198.71	1,254.55
<i>Less</i> : Appropriation		
i) Transferred To General Reserves	160.00	–
ii) Proposed Dividend on Equity Shares (₹ 1/- per Equity Shares)	79.59	53.06
iii) Proposed Dividend on Preference Shares (12% PA on ₹ 200.00 lacs)	24.00	8.00
iv) Tax on Dividend on Equity Shares	12.92	8.61
v) Tax on Dividend on Preference Shares	3.89	1.30
	280.40	70.97
	1,918.31	1,183.58
	2,132.64	1,503.22

FORTY-FIRST ANNUAL REPORT

Notes forming integral part of the Balance Sheet as at 31st March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
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NOTE - 3

LONG TERM BORROWINGS:

Secured Loans

1. Term Loan from State Bank of India	1,924.73	1,821.89
2. Vehicle Finance under Hire purchase	7.74	19.91
3. Others (From UPSIDC LTD)	54.43	-
	1,986.90	1,841.80

Unsecured Loans

1. Deposits	201.00	138.00
2. Inter Corporate Deposits	75.00	50.00
	276.00	188.00
	2,262.90	2,029.80

- 3.1 Term Loan in Foreign Currency amounting to (₹ in Lacs) 597.90 (Previous Year ₹ NIL has been taken 2011-12 for 10 Years.) has been converted from Term Loan in INR to Term Loan in Foreign Currency.
- 3.2 Term Loan in Foreign Currency as on 31-03-2012 is (₹ in Lacs) 304.05 (Previous Year 368.94) and is to be paid in 6 Years.
- 3.3 Balance of Term Loan from State Bank of India as on 31-03-2012 is (₹ in Lacs) 1022.78 (Previous Year ₹ 1452.95).
- 3.4 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.
- 3.5 The above Term Loans have been guaranteed (Personal) by Chairman, Managing Director and Director (Tech.) of the Company.
- 3.6 Vehicle Finance under Hire purchase is Secured by Hypothecation of Vehicle
- 3.7 (₹ in Lacs) 54.43 (Previous year (₹ in Lacs) NIL) taken from UPSIDC Secured by Hypothecation of Land-Jainpur.
- 3.8 (₹ in Lacs) 201.00 (Previous year (₹ in Lacs) 98.5 out of Deposits is for 3 Years and Interest Rate is 12.5%.
- 3.9 ₹ in Lacs NIL (Previous year (₹ in Lacs) 32.00) out of Deposits is for 2 Years and Interest Rate is 12.5%.
- 3.10 ₹ in Lacs NIL (Previous year (₹ in Lacs) 7.50) out of Deposits is for 6 Months and Interest Rate is 12.5%.
- 3.11 ₹ in Lacs 50.00 (Previous year (₹ in Lacs) 25.00) out of Inter Corporate Deposits is for 3 Years and Interest Rate is 12.5%.
- 3.12 ₹ in Lacs 25.00 (Previous year (₹ in Lacs) 25.00) out of Inter Corporate Deposits is for 2 Years and Interest Rate is 12.5%.

Notes forming integral part of the Balance Sheet as at 31st March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
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NOTE - 4

DEFERRED TAX LIABILITY (Net)

Deferred Tax Liabilities

Depreciation and amortisation

452.79

371.87

Deferred Tax Assets

Employee benefits

(100.20)

(84.02)

352.59

287.85

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

NOTE - 5

LONG TERM PROVISIONS

1. Provision for Employee Benefits (Gratuity)

213.01

190.43

2. Others

—

—

213.01

190.43

5.1 The provision for gratuity has been calculated in accordance with the provisions of the Payment of Gratuity Act, 1972. The provision has been made only for those employees, who have completed five years of service with the company. 2/5th provision relating to enhanced liability consequent to the increase in maximum limit of gratuity from earlier Rs 3.50 lacs to Rs 10.00 lacs has been made. Balance provision shall be made in next three years.

5.2 The liability of the Company for Gratuity are estimated at each year end and liability accordingly is provided in the books of the Company.

NOTE - 6

SHORT-TERM BORROWINGS

Secured Loans

Working Capital Loans from State Bank of India :

1. Working Capital Loans in INR

2,294.87

2,259.08

2. Working Capital Loan in Foreign Currency

494.23

183.26

2,789.10

2,442.34

6.1 (₹ in Lacs) 835.87 (Previous year (₹ in Lacs) 1247.71) out of Working Capital Loans from State Bank of India is Cash Credit (Hypo) & Cash Credit (Book Debts)

6.2 (₹ in Lacs) 1459.00 (Previous year (₹ in Lacs) 1011.37) out of Working Capital Loans from State Bank of India is Export Bill Purchase.

6.3 (₹ in Lacs) 288.45 (Previous year (₹ in Lacs) NIL) out of Working Capital Loans in Foreign Currency is PCFC.

6.4 (₹ in Lacs) 205.78 (Previous year (₹ in Lacs) 183.26) out of Working Capital Loans in Foreign Currency is Demand Loan.

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

6.6 The above Working Capital Loans have been guaranteed (Personal) by Chairman, Managing Director and Director (Tech.) of the Company.

Unsecured Loans

1. Other Loans & Advances from Bank

Foreign Currency Loans (Buyer's Credit from Bank for Import of Raw -Materials)

829.04

434.56

3,618.14

2,876.90

FORTY-FIRST ANNUAL REPORT

Notes forming integral part of the Balance Sheet as at 31st March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
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NOTE - 7

Trade Payables

1. Trade Payable for purchase of Raw Material & Store, Spares	367.47	563.43
2. Trade Payable for Services Received	142.09	101.71
	509.56	665.14

7.1 Trade Payable for Material/Supplies includes (₹ in Lacs) NIL (Previous Year (₹ in Lacs) NIL) due to Micro, Small and Medium Enterprises.

NOTE - 8

Other Current Liabilities

Current Maturities of :

1. Long Term Debt	332.00	267.00
2. Finance Lease Obligations on vehicle	11.97	2.37
3. Finance Lease Obligations to UPSIDC Ltd.	13.61	-
4. Deposits	37.50	47.50
5. Inter Corporate	-	25.00

Others:

1. TDS Payable	10.93	7.38
2. Unpaid Dividend	20.72	17.27
3. Unpaid-salary & wages	51.75	41.34
4. Outstanding Liabilities	109.10	57.09
	587.58	464.95

NOTE - 9

Short-Term Provisions

Provision for :

1. Current Income Tax	435.00	74.82
2. Proposed dividend on equity/perference shares	103.59	61.06
3. Tax on Dividend	16.81	9.91
4. Wealth Tax	1.23	0.14
5. Excise Duty	1.29	3.16
6. Employee Benefits (Leave Wages)	47.03	33.48
7. Bonus	48.79	35.03
	653.74	217.60

9.1 The liability of the Company for Leave Wages are estimated at each year end and liability accordingly is provided in the books of the Company.

NOTE 10 :**Notes forming integral part of the Balance Sheet as at 31st March, 2012****FIXED ASSETS AND DEPRECIATION**

Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost as on 01.04.2011	Adjustments/ Additions during the year	Total As at 31.03.2012	Till 31.03.2011	Adjustments during the Year	For the Year	Total up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
Land (Lease hold)	384.88	-	486.79	20.55	-	4.87	25.42	461.37	364.33
Building	1,095.30	-	1,216.17	186.38	-	35.85	222.23	993.94	908.92
Plant & Machinery	3,155.97	20.67	3,732.41	674.81	1.75	163.11	836.17	2,896.24	2,481.16
Electric installations	142.64	-	148.42	54.63	-	7.76	62.39	86.03	88.02
Furniture & fixtures	37.77	0.84	49.84	27.76	0.67	3.30	30.39	19.45	10.01
Office Equipment	103.13	2.16	138.77	60.21	1.49	12.35	71.07	67.70	42.91
Vehicles	99.79	18.06	98.82	33.69	12.20	18.63	40.12	58.70	66.10
TOTAL	5,019.48	41.73	5,871.22	1,058.03	16.11	245.87	1,287.79	4,583.43	3,961.45
Previous year figures	3,800.16	244.83	5,019.48	1,058.47	181.14	180.70	1,058.03	3,961.45	2,741.69

(₹ in Lacs)

NOTES :

Depreciation on Building, Plant & Machinery, Electric Installation has been charged on straight line method, whereas the same has been charged on WDV method on Furniture & Fixtures, Office Equipments & Vehicles- as per the rates of Schedule XIV of the Companies Act, 1956.

Plant & Machinery are charged to Depreciation @ 5.28% (continuous process plant).

Gross Block of Plant & Machinery and Building Includes (₹ in Lacs) 239.70 and (₹ in Lacs) 2.72 worth of assets respectively, which has been fully depreciated.

The Company is registered as a 'Technical Textile Unit' by Ministry of Textiles vide registration no 19101004. Consequently, Capital Subsidy (₹ in Lacs NIL). (Previous year (₹ in Lacs) 21.01) is being availed.

FORTY-FIRST ANNUAL REPORT

Notes forming integral part of the Balance Sheet as at 31st March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
NOTE -11		
NON-CURRENT INVESTMENTS		
A. Investment in Shares/Mutual Fund		
Quoted - Trade - Current (Market Value of Quoted Investment)	–	–
B. Investment in Property		
Unquoted		
(i) Share in Dalmia Resorts Ltd.	0.17	0.17
(ii) Share in Shivgarh Resorts Ltd.	0.58	0.58
	0.75	0.75
C. Investment in Bullion, Gold and Gold Items		
(Out of (₹ in Lacs) 83.90 invested in Gold & Gold Items (₹ in Lacs) 58.90 has been seized by IncomeTax Deptt.) Less : Provision for diminution in value of investments	83.90	–
	–	–
	84.65	0.75
NOTE -12		
LONG TERM LOANS AND ADVANCES		
1. Capital Assets		
a) Secured, Considered Good :	–	–
b) Unsecured, Considered Good :	–	–
c) Doubtful	–	–
2. Security Deposit		
a) Secured, Considered Good :		
(i) Earnest Money Deposit	0.25	0.50
(ii) Other Deposit		
– Stamp Duty Under Protest (Agt. Land)	29.07	–
– Fixed Deposit (Against Unsecured Loans)	6.00	6.00
– Interest accrued on Security deposit.	3.87	1.43
– Security Deposits to Govt. & Others	97.39	57.83
	136.58	65.76
b) Unsecured, Considered Good	–	–
c) Doubtful	–	–
3. Loans & Advances to related parties		
	–	–
4. Foreign Currency Monetary item Translation Difference Account		
	114.96	3.53
	251.54	69.29

4.1 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' to be amortised over the balance period of the long term monetary items or period upto 31st March, 2012, whichever is earlier.

Notes forming integral part of the Balance Sheet as at 31st March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
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NOTE -13

OTHER NON-CURRENT ASSETS

1. Miscellaneous Expenses (to the extent not written off)	13.01	14.45
2. Unclaimed Dividend account with Bank	20.54	17.29
	33.55	31.74

NOTE -14

INVENTORIES

1. Raw Material (at Cost)	956.77	971.67
2. Raw Material (in Transit)(at cost)	266.06	69.53
3. Goods-in-Progress (at Cost)	1,021.70	1,266.28
4. Finished Goods (At lower of cost or net realisable value)	99.67	126.16
5. Stores & Spares/ Others (at Cost)	143.53	106.52
6. Jigs and Fixtures (at Cost)	39.81	35.50
	2,527.54	2,575.66

NOTE -15

TRADE RECEIVABLES

1. Outstanding for more than six months:		
Considered good	9.53	-
2. Others: Considered good	2,917.07	1,719.11
(Including ₹ in Lacs) 356.71 of Consignment Stockist Division (previous year (₹ in Lacs) 127.06)		
Less : Provision for doubtful debts	-	-
	2,926.60	1,719.11

Of the above, amounts:

- a) Secured, considered good (₹ Nil)
- b) Unsecured, considered good (₹ 2926.60 lacs,
Previous year ₹ 1719.11 lacs)
- c) Unsecured, considered doubtful (₹ NIL)

FORTY-FIRST ANNUAL REPORT

Notes forming integral part of the Balance Sheet as at 31st March, 2012

(₹ in Lacs)

PARTICULARS	As at 31 st March, 2012	As at 31 st March, 2011
NOTE -16		
CASH AND BANK BALANCES		
1. Cash in hand	3.03	3.40
2. Balances with scheduled banks		
(i) in current accounts	41.69	25.75
(ii) in Fixed Deposit (Margin Money)	140.54	101.13
	185.26	130.28
	185.26	130.28
 NOTE -17		
SHORT-TERM LOANS AND ADVANCES (UNSECURED)		
(Unsecured and Considered Good)		
a) Advance tax and tax deducted at source.		
1. Advance Tax (A/Y2011-12)	—	74.11
2. Advance Tax(A/Y 2012-13)	344.35	—
3. Advance Income Tax Recoverable for Earlier Year	2.41	3.07
4. Advance Income Tax Demand (A/Y 2008-09.)	5.00	—
b) Other loans & advances considered good		
1. Staff Advance	10.50	7.32
2. Pre-paid Expenses	33.35	23.19
3. Advances to Suppliers & Others	114.41	63.05
4. Interest Recoverable under TUF Scheme / others	47.06	70.28
5. VAT Recoverable	57.46	69.90
6. Excise Duty/Service tax Recoverable	69.37	101.06
	683.91	411.98
	683.91	411.98

Notes annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2012

(₹ in Lacs)

PARTICULARS	2011-12	2010-11
NOTE -18		
Revenue from operations :		
Sale of Products		
i) Plastic Products (Indigenous)	2,946.79	2,699.02
ii) Plastic Products (Export)	15,238.53	9,095.85
iii) Sale of By-Product	273.42	178.29
iv) Trade Tax/VAT Collected on Sales	107.26	80.72
v) Export Incentive (Focus Market/Product scheme)	145.91	6.07
vi) Profit/(Loss) on forward foreign exchange export contracts	11.34	(5.79)
	18,723.25	12,054.16
<i>Less : Excise Duty</i>	360.85	295.73
	18,362.40	11,758.43
18.1 Excise duty includes excise rebate on export sales amounting to ₹ 92.11 Lacs (Previous Year ₹ 55.86 Lacs)		
 NOTE - 19		
Other Income		
i) Miscellaneous income	0.74	1.07
ii) Interest earned on Bank and other deposits	42.74	14.48
iii) Profit/(loss) on sale of Fixed Assets (Non trade)	(0.05)	7.66
iv) Sale of scrap	38.15	25.60
v) Commission received (on Consignment Stock sales)	51.94	27.93
vi) Other Income (Undisclosed)	200.00	-
	333.52	76.74
19.1 The Company is DCA cum CS by Indian Oil Corporation Ltd for Polymer Marketing.		
 NOTE -20		
CONSUMPTION OF MATERIALS		
Opening Stock :		
Raw Materials	971.67	608.02
<i>Add : Purchases</i>	11,460.80	7,845.12
<i>Less : Closing Stock</i>	956.77	971.67
Materials Consumed	11,475.70	7,481.47

FORTY-FIRST ANNUAL REPORT

Notes annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2012

(₹ in Lacs)

PARTICULARS	2011-12	2010-11
NOTE -21		
(INCREASE) DECREASE IN STOCK		
Opening Stock :		
Goods in Process	1,266.28	907.08
Finished Goods	126.16	94.33
Closing Stock		
Goods in Process	1,021.70	1,266.28
Finished Goods	99.67	126.16
(Increase) Decrease in Stock	271.07	(391.03)
NOTE -22		
EMPLOYEE BENEFITS EXPENSES		
(i) Salaries, wages and bonus	623.69	436.53
(ii) Contribution to provident and other funds	87.55	56.96
(iii) Gratuity	40.73	41.09
(iv) Staff welfare expenses	36.95	19.97
(v) Directors' Remuneration	117.26	109.71
	906.18	664.26
22.1 Refer Note No. 5.1		
22.2 The Company makes regular contribution for Employees' Provident Fund and Employees' State Insurance and these are charged to revenue.		
NOTE -23		
FINANCE COSTS		
(i) Interest to Bank & others	472.26	320.61
(ii) Interest on Deposits	39.02	37.24
(iii) Bank Charges	83.17	46.89
(iv) Foreign Currency Exchange Gains/(Losses), (Net)	37.50	1.40
	631.95	406.14
23.1 The Company is registered as a 'Technical Textile Unit' by Ministry of Textiles vide registration no 19101004. Consequently, interest reimbursement (₹ in Lacs 64.06) (Previous year (₹ in Lacs) 68.50) is being availed.		

Notes annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2012 (₹ in Lacs)

PARTICULARS	2011-12	2010-11
NOTE -24		
OTHER EXPENSES :		
a) MANUFACTURING EXPENSES		
(i) Stores & Spare parts Consumed	260.82	192.21
(ii) Jigs and Fixtures	9.95	8.88
(iii) Machinery Repairs	15.76	20.38
(iv) Oil & Lubricant	47.17	33.78
(v) Processing charges	1,006.68	789.21
(vi) Power & Fuel Consumed	758.97	602.51
(vii) Carriage Inward	33.17	22.98
	2,132.52	1,669.95
b) SELLING AND DISTRIBUTION EXPENSES		
(i) Payroll of Sales and Marketing Persons		
: Salaries, wages and bonus	27.66	17.79
: Contribution to provident and other funds	2.01	1.44
: Travelling and entertainment	11.98	3.95
(ii) Advertisement	5.58	5.67
(iii) Commission on Sales (Export)	158.11	12.11
(iv) Sales Promotion	14.45	15.13
(v) Carriage Outward (Incl.Sea Freight)	849.47	650.55
(vi) Loading & Unloading	23.84	17.49
(vii) Rejection & Shortage on Sales	2.68	26.00
(viii) Trade Tax	107.26	80.72
(ix) Bad Debts/Advances written off	0.11	2.82
	1,203.15	833.67
c) ESTABLISHMENT EXPENSES		
(i) Travelling and conveyance	13.11	12.67
(ii) Directors' Travelling (Incl.Foreign Travel)	24.92	23.10
(iii) Printing and Stationery/ Books and Periodicals	11.61	10.11
(iv) Vehicle Maintenance	15.35	12.04
(v) Rent	14.43	14.09
(vi) Rates and taxes	29.21	10.58
(vii) Communication Expenses	30.28	21.84
(viii) Auditors' Remuneration		
Audit Fees	0.80	0.60
Tax & Vat Audit Fees	0.40	0.30
Management Services	0.78	0.10
(ix) Subscription and Memberships	2.82	2.26
(x) Insurance Expenses	42.76	54.52
(xi) Meeting, Recruitment & Training Expenses	10.13	3.56
(xii) Miscellaneous/Other expenses	4.06	3.72
(xiii) Donation	5.33	5.23
(xiv) Legal and professional expenses	26.45	25.61
(xv) Repairs and maintenance		
: Buildings	25.05	12.09
: Office & Computer equipments	10.96	12.80
(xvi) Directors' Sitting Fees	0.96	0.82
(xvii) Wealth tax	1.23	0.14
(xviii) Foreign Exchange fluctuation on Export Sale	20.73	(8.60)
(xix) Loss on Investment in Shares	-	6.41
(xx) Loss of stock on fire (Extra Ordinary Item)	-	0.29
(xxi) Right issue Expenses written off	1.45	1.45
	292.82	225.73
	3,628.49	2,729.35

SCHEDULE 25 : SIGNIFICANT ACCOUNTING POLICIES

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

1. Fixed Assets :

Fixed Assets are valued at cost.

2. Depreciation :

Depreciation has been provided on straight line method on building, plant & machinery, electric installations and on written down value method on other assets, as per Schedule XIV of the Companies Act, 1956. Further, depreciation on assets, whose actual cost does not exceed Rs. 5000/- has been provided @ 100%. Further, Leasehold Land is being amortized taking into account the residual life of lease.

3. Impairment of Assets :

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

4. Valuation of Inventory :

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

5. Research & Development :

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

6. Foreign Currency Transactions :

- (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' to be amortised over the balance period of the long term monetary items or period upto 31st March, 2012, whichever is earlier.

7. Investments :

All investments are valued at cost price.

8. Recognition of Income / Expenditure:

All revenues / income are accounted for on accrual basis.

9. Borrowing Cost :

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

NOTE 26 :NOTES TO ACCOUNTS**1. Contingent Liabilities in respect of :****(A) Income Tax :**

- a. For Assessment Years 1995-96 to 1997-98, the department reopened the cases and made arbitrary additions in respective year. The Company went into Appeal in all the cases and they were decided at Income Tax Appellate Tribunal, Lucknow in favour of the Company. Department granted refund and simultaneously has filed appeals with Hon'ble High Court, Allahabad in respective cases, which have not yet been admitted for any of the Assessment years.
- b. For the assessment years 2001-02, the A.O. made arbitrary additions on certain points, the Company had paid the alleged demand and went into appeal with ITAT and partially favourable orders were made by the Tribunal. After giving effect to the orders of the Tribunal, a refund was granted by the Assessing Officer. Simultaneously, the Company has gone into appeal only on one point sustained disallowance deduction claimed u/s 80HHC amounting to Rs.52.74 lacs with Hon'ble Allahabad High Court, Lucknow Bench, which has been admitted and is pending for disposal.
- c. For assessment Years 2002-03, 2003-04 & 2004-05, where the cases were re-opened and for the regular assessment of Assessment Year 2008-09, certain arbitrary additions were made by A.O. The Company had gone for appeal in all the cases with CIT Appeals, Kanpur and in appeal CIT (A) -2, Kanpur has fully allowed the appeal for A.Y. 2002-03 & 2004-05 in favour of the company and Appeal for the A.Y. 2003-04 & A.Y. 2008-09 were partially allowed in favour of the company. After giving effect to the orders of CIT (A)-2, Kanpur A.O. has granted refund and simultaneously filed appeals with ITAT Lucknow in all the cases.
- d. For Assessment year 2005-06 to 2007-08, arbitrary additions were made by A.O. The company has gone for Appeal before ITAT Lucknow and on appeal, all the cases were decided partly in favour of the Company. After giving effect of the orders of ITAT, A.O. has granted refund and simultaneously filed appeals with Allahabad High Court, Allahabad which have not yet been admitted for any of the Assessment years.
- e. For Assessment year 2009-10, assessment has been completed and the demand raised has been paid.
- f. Penalty proceeding u/s 271(1)(c) regarding Assessment Years 2002-03 to 2004-05 and 2008-09 are pending for disposal, as the Income Tax Department appeals are pending at ITAT Lucknow. However, the penalty proceeding for A.Y.2009-10 has been dropped by A.O.

In view of above facts, the Management feels that there shall not be any additional financial liabilities on the Company in all the above cases.

(B) Excise Duty :

In respect of Company's claim with Central Excise authorities regarding wrong classification of product, which was partially settled and the company was allowed consequential relief in November, 1998, the appeal of the Department against the same was rejected by the CEGAT and contention of the company was accepted and refund of Rs. 1.16 crores was granted. However, the department has filed reference, which is pending with the Allahabad High Court.

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(C) Others :

	2011-12	Increase/ (Decrease) during the year	(₹ in Lacs) 2010-11
a) Counter Guarantees given to Bank for issue of performance guarantees by Bank	633.56	(24.92)	658.48
b) Foreign bills discounted by the bank under Letter of Credit	25.26	(138.31)	163.57
c) Legal Undertakings submitted to Customs & DGFT under duty Exemption Scheme for import of raw materials against which all exports have been completed and Advance Licences are under redemption.	5164.27	716.16	4448.11
d) Labour cases pending with Labour Courts/High Court.	3.50	1.00	2.50
2. The previous year's figures have been regrouped / recasted, wherever necessary to make them comparable with those of the current year. Figures in bracket indicate previous year's figures.			
3. The Assets and liabilities as mentioned in the Balance Sheet includes the following amount as related to Consignment Stockist Division of the Company:			
i. Trade Receivables	356.71		127.06
ii. Cash & Bank Balances	3.49		21.79
iii. Short Term Loans & Advances	15.39		8.19
iv. Reserves & Surplus	30.29		4.50
v. Trade Payable	19.09		—
vi. Other Current Liabilities	3.55		29.54
Vii. Short Term Borrowings	322.66		123.00
4. Expenditure in Foreign Currency on :			
a) Raw Material	3918.92		3592.14
b) Stores & Spares	9.32		18.04
c) Travel	7.32		6.76
d) Plant & Machinery & Others	248.23		600.74
e) Sales Commission on Export Sale	158.11		12.11
5. Earnings in Foreign Currency on FOB basis			
Export of Goods	14732.80		8737.45

6. Related Party Disclosures :

The Company's related party transactions during the year and outstanding balances as on 31.03.2012 are as under :

Details of Associate Companies

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

Details of Transactions	(₹ in lacs)			
Nature	Associate Companies		Key Management Personnel & their relatives	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Remuneration	–	–	123.95	115.60
Interest on Deposits	9.60	7.19	24.45	27.16
Outstanding Deposits	75.00	75.00	197.00	147.00
Rent paid	9.00	10.20	2.40	1.20
Rent received	0.53	0.36	–	–

7. Segment Information :

A. Information about Primary Segments : (₹ in Lacs)

Particulars	Manufacturing Operations		Consignment Stockist Operations		Total	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
1. Segment Revenue	18619.12	11800.92	76.80	34.25	18695.92	11835.17
<i>Less</i> : Inter Segment Revenue	–		–		–	
Net Sales/Income from Operations	18619.12	11800.92	76.80	34.25	18695.92	11835.17
2. Segment Results (Profit Before Tax and Interest)	2123.26	896.42	45.35	16.30	2168.61	912.72
<i>Less</i> : Unallocated Interest & Finance Charges	605.86	400.86	26.09	5.28	631.95	406.14
<i>Add</i> : Other Unallowable income	–		–		–	
Net of unallowable expenditure						
Total Profit before tax	1517.40	495.56	19.26	11.02	1536.66	506.58
3. Capital Employed (Segment Assets - Segment Liabilities)	–		–		3128.56	2233.85

B. Information about Secondary Segments : (₹ in Lacs)

	31.03.2012	31.03.2011
Revenue from Geographical Markets		
India	3446.05	2745.11
Overseas	15249.87	9090.06
Total	18695.92	11835.17

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

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8. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details :

Registration No.	20-03444
State Code	20
Balance Sheet Date	31 st March, 2012

II. Capital raised during the year :

Public Issue	NIL	Right Issue	NIL
Bonus Issue	265.30	Private Placement	NIL

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

Total Liabilities	11326.08	Total Assets	11326.08
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Sources of Funds

Paid up Capital	995.92
Reserves & Surplus	2132.64
Deferred Tax Liability	352.59
Long Term Borrowings	2262.90
Long Term Provision	213.01
Current Liabilities	5369.02

Application of Funds

Net Fixed Assets	4583.43
Capital WIP	49.60
Current Assets	6323.31
Investment	84.65
Long Term Loans & Advances	251.54
Other Non - Current Assets	33.55

IV. Performance of the Company :

	31.03.2012	31.03.2011
Turnover (including other Income)	18695.92	11835.17
Total Expenditure	17159.26	11328.59
Profit before Tax	1536.66	506.58
Profit after Tax	1036.92	347.27
Earning Per Share (Rs)	12.32	5.70
Dividend Rate	10%	10%

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

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

KANPUR PLASTIPACK LIMITED

ATTENDANCE SLIP

Regd. Office :

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

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
(Joint Shareholders may obtain additional Attendance Slip on request)

I hereby record my presence at the 41st Annual General Meeting of the Company at 12:00 Noon. held on Saturday, the 15th day of September, 2012

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

(TEAR HERE)

FORM OF PROXY

KANPUR PLASTIPACK LIMITED

Regd. Office :

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

I/We.....
of.....being a member/members of KANPUR PLASTIPACK LIMITED
hereby appoint.....
of.....or failing him.....
of.....as my/our proxy to attend and vote for me/us and on my/our behalf at
the 41st Annual General Meeting of the Company to be held on Saturday, the 15th day of September, 2012 at 12:00 Noon. and
at any adjournment thereof.

Signed this.....day of.....2012

Signed by the said.....

Please
affix
₹ 1/-
Revenue
Stamp

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

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

(TEAR HERE)

FEED BACK FORM

Registration / Updation of E-mail id :-

Name of the Shareholder	Folio Number	Updated Email ID

Signature of the Shareholder



KANPUR PLASTIPACK LIMITED

