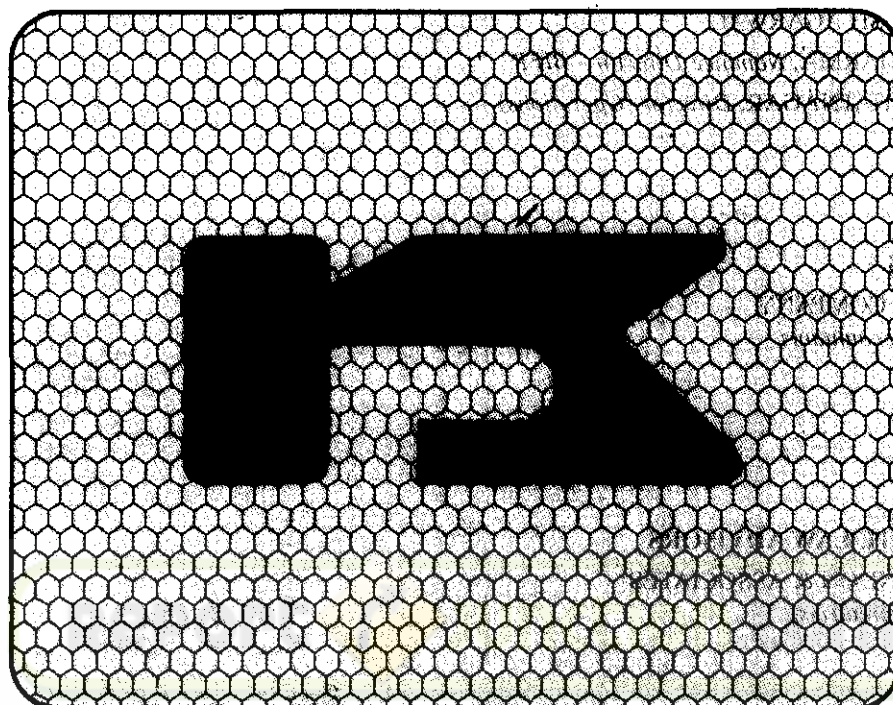


29th Annual Report 1999-2000



**KANPUR
PLASTIPACK LTD.**

KANPUR PLASTIPACK LIMITED

BOARD OF DIRECTORS

Shri M. S. AGARWAL, *Chairman & Managing Director*

Shri MANOJ AGARWAL, *Executive Director*

Shri B. L. MANCHANDA

Shri S. M. JAIN

Shri P. K. GOENKA

Smt. SANTOSH AGARWAL

Shri S. N. SHARMA, *Nominee Director - BIFR*

Shri A. K. BHATNAGAR, *Director (Operations)*

AUDITORS

PANDEY & COMPANY

Chartered Accountants,

KANPUR.

CORPORATE LAW ADVISORS

ADESH TANDON & ASSOCIATES

Company Secretaries,

KANPUR.

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE & WORKS

D-19-20, PANKI INDUSTRIAL AREA,

KANPUR-208 022

KANPUR PLASTIPACK LIMITED**NOTICE**

NOTICE is hereby given that the TWENTYNINTH ANNUAL GENERAL MEETING OF KANPUR PLASTIPACK LIMITED, will be held at the Registered Office of the Company at D-19-20, Panki Industrial Area, Kanpur-208 022 on Tuesday, the 29th August, 2000 at 3.30 p.m. to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2000 and Balance Sheet as at that date together with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Manoj Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pradeep Goenka, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :-

"RESOLVED that Shri S. M. Jain, who was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 30th August, 1999 to hold office till the conclusion of the next Annual General Meeting of the Company, the Company having received notice u/s 257 of the Companies Act, 1956 from a member communicating his intention to propose the name of Shri S. M. Jain as a candidate for the office of Director and the member having also deposited alongwith the notice, the prescribed amount of Rs. 500/- (Rupees Five Hundred), be and is hereby appointed as Director of the Company."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED that subject to the provisions of Sections 198, 269 and 309 read with Schedule XIII as amended and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the re-appointment of Shri M. S. Agarwal as Chairman & Managing Director of the Company on fresh terms and conditions as contained hereinbelow for a period of 5 years w.e.f. 1st September, 2000 :-

- | | |
|------------------|---|
| I. SALARY | : Rs. 50,000 - 5,000 - 70,000 per month |
| II. COMMISSION | : NIL |
| III. PERQUISITES | : Perquisites shall be allowed in addition to salary as under. However, this shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter :- |

Category - 'A'**i) Housing :**

The expenditure incurred by the Company on hiring of unfurnished accommodation shall be subject to a ceiling of fifty percent of the salary, over and above ten percent payable by Shri M. S. Agarwal.

In case no accommodation is provided by the Company, the Company shall pay house rent allowance to the extent of fifty percent of salary of Shri M. S. Agarwal.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.

ii) Medical Reimbursement / Medical Insurance :

Reimbursement of actual medical expenses incurred for self and family in India and/or abroad including hospitalisation, subject to a ceiling of one month's salary in a year.

In addition, the Company will reimburse him towards Medical Insurance Premium, the amount of which shall not exceed Rs. 10,000/- per annum.

TWENTYNINTH ANNUAL REPORT

iii) *Leave Travel Concession :*

For self and family, once in a year subject to a ceiling of one month's salary.

iv) *Club Fees :*

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

v) *Personal Accident Insurance :*

Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 4,000/-.

Category - 'B'

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

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

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

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

Category - 'C'

Car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be paid by him."

"FURTHER RESOLVED that in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Shri M. S. Agarwal by way of salary, allowances, and perquisites, shall not exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED that subject to the provisions of Sections 198, 269 and 309 read with Schedule XIII as amended and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to re-appointment of Shri Manoj Agarwal as Executive Director of the Company on fresh terms and conditions as contained hereinbelow for a period of 5 years w.e.f. 1st September, 2000 :-

I. SALARY	: Rs. 40,000 - 5,000 - 60,000 per month
II. COMMISSION	: NIL
III. PERQUISITES	: Perquisites shall be allowed in addition to salary as under. However, this shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter :-

Category - 'A'

i) *Housing :*

The expenditure incurred by the Company on hiring of unfurnished accommodation shall be subject to a ceiling of fifty percent of the salary, over and above ten percent payable by Shri Manoj Agarwal.

In case no accommodation is provided by the Company, the Company shall pay house rent allowance to the extent of fifty percent of salary of Shri Manoj Agarwal.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary of Shri Manoj Agarwal.

ii) *Medical Reimbursement / Medical Insurance :*

Reimbursement of actual medical expenses incurred for self and family in India and/or abroad including hospitalisation, subject to a ceiling of one month's salary in a year.

In addition, the Company will reimburse him towards Medical Insurance Premium, the amount of which shall not exceed Rs. 10,000/- per annum.

iii) *Leave Travel Concession :*

For self and family, once in a year subject to a ceiling of one month's salary.

KANPUR PLASTIPACK LIMITEDiv) *Club Fees :*

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

v) *Personal Accident Insurance :*

Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 4,000/-.

Category - 'B'

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

Category - 'C'

Car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be paid by him."

"FURTHER RESOLVED that in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Shri Manoj Agarwal by way of salary, allowances, and perquisites, shall not exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED that pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby amended by inserting Article 48-A after Article 48 of the Articles of Association of Company which runs as follows :

48-A Dematerialisation of Securities :**1. Definitions :****For the purpose of this Article :**

'Beneficial Owner' means a person or persons whose name is recorded in the Register maintained by a Depository under the Depositories Act, 1996;

'Bye-laws' means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996;

'Depositories Act' means the Depositories Act, 1996 and any statutory modification or re-enactment thereof for the time being in force.

'Depository' means a company formed and registered under the Companies Act, 1956 ('the Act') and which has been granted a certificate of registration to act as Depository under sub-section (1A) of Section 12 of the Securities & Exchange Board of India Act, 1992;

'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined under the regulations made by SEBI;

'Regulations' means the regulations made by SEBI;

'SEBI' means the Securities & Exchange Board of India;

'Security' means such security as may be specified by SEBI from time to time.

2. Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its Securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or otherwise.

TWENTYNINTH ANNUAL REPORT**3. Option for Investors :**

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a Depository, the Company shall intimate such depository the details of allotment of security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the securities.

4. Securities in depository mode to be in fungible form :

All securities held in the depository mode with a depository shall be dematerialised and be in a fungible form. To such securities held by a depository on behalf of a beneficial owner nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply.

5. Right of Depositories and Beneficial Owners :

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owners for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have other membership rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be a member of the Company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held in the depository mode of which he is the beneficial owner.

6. Service of documents :

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository mode, the records of the beneficial owner may be served by a depository on the Company by means of electronic mode or by delivery of floppies or disks.

7. Transfer of Securities :

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee, both of whom are entered in the Register maintained under the Depositories Act, 1996 by a depository as beneficial owners.

8. Distinctive numbers of securities held in the depository mode :

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.

9. Register and index of beneficial owners :

The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be register and index of members and holders of securities for the purpose of these Articles and the Act.

10. Option to opt out in respect of any security :

If a beneficial owner seeks to opt out for a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty (30) days of the intimation from the Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

11. Intimation to Depository :

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a

KANPUR PLASTIPACK LIMITED

Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

12. Stamp duty on securities held in dematerialised form :

No stamp duty would be payable on shares held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

13. Applicability of the Depositories Act :

In case of transfer of shares, where the Company has not issued any certificate and where such shares are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Registered Office :
D-19-20, Panki Indl. Area,
Kanpur-208 022

27th June, 2000

By order of the Board of Directors
KANPUR PLASTIPACK LIMITED

M. S. AGARWAL
Chairman & Managing Director

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 Regd. 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 16.08.2000 to 29.08.2000 (both days inclusive).
4. 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.
5. Members having any queries relating to this Annual Report are requested to send their questions to Registered Office of the Company atleast 7 days before the date of Annual General Meeting.
6. Members are requested to notify promptly changes in their address to the Company quoting their Registered Folio Nos.
7. As per the amended provisions of the Companies Act, 1956, the nomination facility is available to the shareholders. Those who are desirous, may write to the Company for necessary prescribed forms.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5 :**

Shri S. M. Jain was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 30th August, 1999 to hold office upto the date of next Annual General Meeting of the Company. The Company has received a notice u/s 257 of the Companies Act, 1956 alongwith deposit of Rs. 500/- from a member of the Company communicating his intention to propose the name of Shri S. M. Jain as a candidate for the office of Director.

None of the directors, except Shri S. M. Jain, is concerned or interested in this resolution.

Item No. 6 :

Shri M. S. Agarwal was re-appointed as Chairman & Managing Director of the Company w.e.f. 1st September, 1998 for a period of five years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956.

The performance of the Company has improved substantially during the tenure of Shri M. S. Agarwal as Managing Director of the Company. In view of the instrumentality of Shri M. S. Agarwal in turning around the performance of the Company, his continued services will be beneficial to your Company.

TWENTYNINTH ANNUAL REPORT

In view of the increased cost of living coupled with prevalent scale of salary for the services of Chief Executives of the corporate sector, read with amended Schedule XIII of the Companies Act, 1956 vide Notification No. GSR 215 (E) and 216 (E) both dated 2nd March, 2000, the Board has re-appointed Shri M. S. Agarwal on fresh terms and conditions for a period of five years w.e.f. 1st September, 2000 in the Board Meeting held on 27th June, 2000, as are contained in Resolution No. 6.

It is also pertinent to mention that Shri M. S. Agarwal has attained the age of 73 years, hence in view of the amended Schedule XIII his re-appointment would not require Central Government's approval, if approved by share-holders by way of special resolution. The Board, therefore, recommends the proposed resolution for your approval as a SPECIAL RESOLUTION.

The mention of the terms and conditions of re-appointment of Shri M. S. Agarwal as Chairman and Managing Director of the Company, in the notice be treated as compliance of Section 302 of the Companies Act, 1956.

None of the Directors, except Shri M. S. Agarwal himself, Shri Manoj Agarwal and Mrs. Santosh Agarwal being relatives, are concerned or interested in this resolution.

Item No. 7 :

Shri Manoj Agarwal was re-appointed as Executive Director w.e.f. 1st September, 1998 for a period of five years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956.

Shri Manoj Agarwal, a Management Post Graduate, who has ably helped in turning around the performance of the Company and is the main guiding factor in the development of Export Market and a key person of the Company and, therefore, his continued services will be in the interest of the Company.

The increasing cost of living coupled with prevalent scale of salary for the services of Chief Executives of the corporate sector, read with amended Schedule XIII of the Companies Act, 1956 vide Notification No. GSR 215 (E) and 216 (E) both dated 2nd March, 2000, the Board has re-appointed Shri Manoj Agarwal on fresh terms and conditions for a period of five years w.e.f. 1st September, 2000 in the Board Meeting held on 27th June, 2000, as are contained in Resolution No. 7.

The Board, therefore, recommends the proposed resolution for your approval as a SPECIAL RESOLUTION.

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

None of the Directors except Shri Manoj Agarwal himself, Shri M. S. Agarwal and Mrs. Santosh Agarwal, being relatives, are concerned or interested in the resolution.

Item No. 8 :

With the introduction of Depositories Act, 1996, under the Depository System some of the provisions of the Companies Act, 1956, relating to issue, holding, transfer, transmission of Shares and other securities have been amended to facilitate the implementation of new system. Depository System of holding securities in an electronic form is a far safer and more convenient method for holding and trading in the securities of a Company.

In view of advantages of Depository System for the investors, your Company may opt for the dematerialisation in future.

This calls for some amendment in the Articles of Association of the Company as detailed in the resolution, which Directors recommend for your approval as a SPECIAL RESOLUTION.

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

Registered Office :

D-19-20, Panki Indl. Area,
Kanpur-208 022

27th June, 2000

By order of the Board of Directors
KANPUR PLASTIPACK LIMITED

M. S. AGARWAL
Chairman & Managing Director