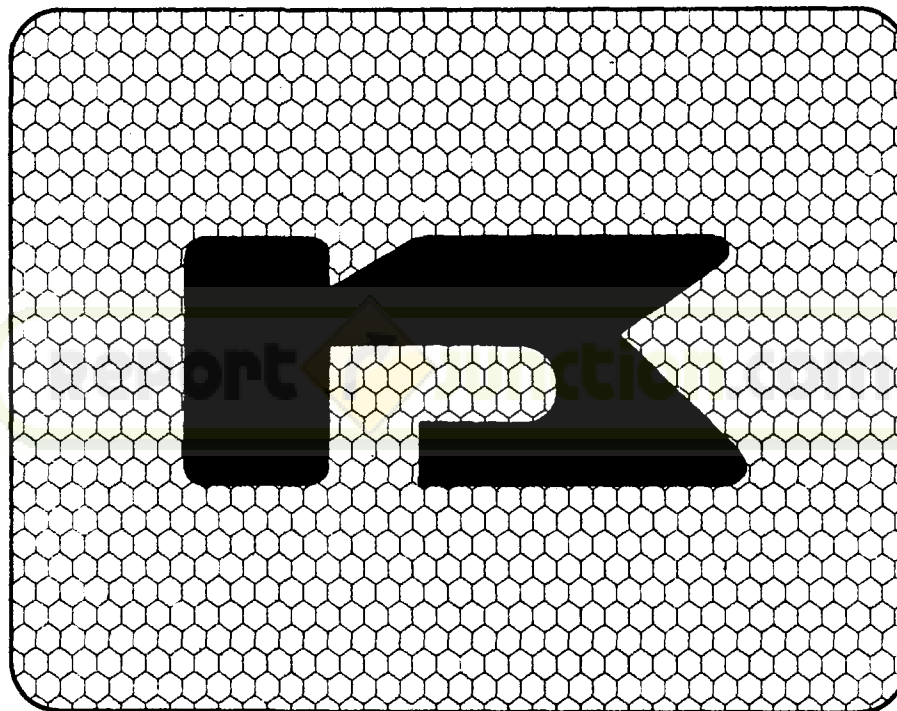


37th Annual Report
2007-2008



**KANPUR
PLASTIPACK LTD.**

A STAR EXPORT HOUSE

KANPUR PLASTIPACK LIMITED

BOARD OF DIRECTORS

Shri M. S. AGARWAL, *Executive Chairman*
Shri MANOJ AGARWAL, *Managing Director*
Shri B. L. MANCHANDA
Shri S. M. JAIN
Shri P. K. GOENKA
Dr. G. N. MATHUR
Dr. J. N. GUPTA
Smt. SANTOSH AGARWAL
Shri A. K. BHATNAGAR, *Executive Director*

COMPANY SECRETARY

Shri JITENDRA AWASTHI

AUDITORS

PANDEY & COMPANY
Chartered Accountants
KANPUR

CORPORATE LAW ADVISORS

ADESH TANDON & ASSOCIATES
Company Secretaries
KANPUR

BANKERS

STATE BANK OF INDIA

REGISTRAR AND TRANSFER AGENT

SKYLINE FINANCIAL SERVICES PVT. LTD.
123, VINOBA PURI, LAJPAT NAGAR-II
NEW DELHI-110 024

REGISTERED OFFICE

D-19-20, PANKI INDUSTRIAL AREA,
KANPUR-208 022

WORKS

1. D-19-20, PANKI INDUSTRIAL AREA, KANPUR
2. A-1, A-2, UDYOG KUNJ, SITE V, KANPUR

KANPUR PLASTIPACK LIMITED**NOTICE**

Notice is hereby given that the THIRTY SEVENTH 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 Monday, the 15th day of September, 2008 at 1:00 p.m. 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, 2008 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 Shri P.K. Goenka, 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 a Special Resolution :

“RESOLVED THAT subject to the provisions of Sections 198, 269 & 309 read with Schedule XIII, as amended and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Shri M.S. Agarwal, as Executive Chairman of the Company with the fresh terms and conditions as contained herein below for a period of 3 years w.e.f. 1st September, 2008 :

I. Basic Salary : Rs. 2,30,000/- per month

II. Perquisites : Perquisites shall be allowed in addition to salary as under. However these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter :

Category – ‘A’**i) Housing :**

House Rent Allowance shall be 15% of salary. The Company shall also provide such furniture

and furnishing as may be required by the Executive Chairman. Further, the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.

ii) Medical Reimbursement :

Reimbursement of actual hospitalization and other medical expenses incurred for self and spouse.

In addition, the Company will reimburse him towards Medical Expenses, the amount fixed under Government Rules from time to time, which at present are limited to Rs. 15,000/- per annum.

iii) Leave Travel Concession :

For self and family once in a year to any place in India or abroad subject to ceiling of one month's salary.

iv) Club Fees :

Fees of club subject to maximum of two clubs. Pro 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. 12,000/-

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 not be included in computation of the ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act, 1961.

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 of service will not be included in the computation of the ceiling on perquisites.

v) He will not be entitled to any sitting fees for

THIRTY SEVENTH ANNUAL REPORT

attending the meeting of the Board of Directors or Committees thereof.

Category – 'C'

- i) He will be entitled to free use of Company's Car with driver for official as well as for personal purpose.
- ii) The Company shall provide him mobile phone and telephone and other communication facilities at residence and these further will not be considered as perquisites."

"RESOLVED FURTHER THAT in the event of 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 & 309 read with Schedule XIII, as amended and other applicable provisions, if any, of the Companies Act, 1956, Shri Manoj Agarwal be and is hereby appointed as Managing Director of the Company on fresh terms and conditions contained herein below for a further period of 3 years w.e.f. 1st September, 2008 :

- I. *Remuneration* : Rs. 2,10,000-Rs.10,000-Rs.2,30,000/- per month.
- II. *Perquisites* : Perquisites shall be allowed in addition to salary as under. However these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter :

Category – 'A'

i) Housing :

The Company shall provide him unfurnished accommodation and in lieu of the same Company shall deduct seven and half percent of Basic Salary from the monthly salary payable to him. The Company shall also provide such furniture and furnishing as may be required by the Managing Director. Further, the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.

ii) Medical Reimbursement :

Reimbursement of actual hospitalization medical expenses incurred for self and family.

In addition, the Company will reimburse him towards Medical Expenses, the amount fixed under Government Rules from time to time which at present are limited to Rs. 15,000/- per annum.

iii) Leave Travel Concession :

For self and family once in a year to any place in India or abroad subject to ceiling of one month's salary.

iv) 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. 12,000/-

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 not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- 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 of service will not be included in the computation of the ceiling on perquisites.
- v) He will not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committees thereof.

Category – 'C'

- i) He will be entitled to free use of Company's Car with driver for official as well as for personal purpose.

KANPUR PLASTIPACK LIMITED

- ii) The Company shall provide him mobile phone and telephone and other communication facilities at residence and these further will not be considered as perquisites.

“RESOLVED FURTHER THAT in the event of 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 subject to the provisions of Sections 198, 269 & 309 read with Schedule XIII as amended and other applicable provisions, if any, of the Companies Act, 1956, Shri A.K. Bhatnagar be and is hereby appointed as Executive Director of the Company on fresh terms and conditions contained herein below for a further period of 3 years w.e.f. 1st September, 2008 :

I. Remuneration : Rs. 90,000 - Rs. 10,000 - Rs. 1,10,000 per month

II. Self Development : Rs. 10,000/- per month. Allowance

III. Perquisites : Perquisites shall be allowed in addition to salary as under. However these shall be restricted to an amount equal to the annual salary, subject to an overall ceiling as mentioned hereinafter :

Category-‘A’

- i) **House Rent Allowance :**

House Rent Allowance shall be 30% of salary. The Company shall provide such furniture and furnishing as may be required by the Executive Director. Further, the expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

- ii) **Medical Reimbursement :**

Reimbursement of actual hospitalization medical expenses incurred for self and family in India and/or abroad including hospitalization, subject to a ceiling of one month's salary in a year or three months' salary over a period of 3 years.

- iii) **Leave Travel Concession :**

For self and family once in a year to any place in

India or abroad subject to ceiling of one month's salary.

- iv) **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. 12,000/-.

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 not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- 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 of service will not be included in the computation of the ceiling on perquisites.

- v) He will not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committees thereof.

Category – ‘C’

- i) He will be entitled to free use of Company's Car with driver for official as well as for personal purpose.

- ii) The Company shall provide him mobile phone and telephone and other communication facilities at residence and these further will not be considered as perquisites.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Shri A.K. Bhatnagar by way of salary, allowances and perquisites shall not

THIRTY SEVENTH ANNUAL REPORT

exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956.”

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

“RESOLVED THAT in pursuance of section 314(1)(a) and other applicable provisions of the Companies Act, 1956, if any, consent of the Company be and is hereby given to appoint Smt. Usha Agarwal wife of Shri Manoj Agarwal, Managing Director of the Company, to hold and continue to hold an office of profit, as Senior Manager (Marketing) of the Company, under a contract of service with effect from 01/09/2008.”

“RESOLVED FURTHER THAT she shall be entitled to following monthly remuneration together with the usual allowances and benefits, amenities and facilities including staff superannuation fund, retiring gratuity and Provident Fund benefits applicable to other employees occupying similar post or posts within the same salary scale or grade : -

- a) *Basic Salary* : Rs. 22,500/- per month (with a provision for annual increment of Rs. 600/- and first increment will be due on 1st January, 2009).
- b) *Special Allowance* : Rs. 4000/-
- c) *House Rent Allowance* : 50% of Basic Salary
- d) *Conveyance Allowance* : Rs. 4,000/-.”

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 6.9.2008 to 15.09.2008 (both days inclusive). The entitlement to dividend on shares, when 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 05/09/2008 and the beneficial owners as per the Beneficiary List at the close of the business on 05/09/2008 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 31/03/2008
1.	2004-05	Rs.2,72,191.00.
2.	2005-06	Rs.2,19,808.20
3.	2006-07	Rs.3,51,164.00

Investors are advised to send all unencashed dividend warrants pertaining to the year 2004-05, 2005-06 & 2006-07 to the Company for revalidation.

5. Members who have multiple folios with identical order for 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 queries relating to this Annual Report are requested to send their questions to Registered Office of the Company at least 7 days before the date of Annual General Meeting.
7. Members who hold shares in physical form are requested to intimate the Company, dividend mandate under the signature of Sole/first named joint shareholder specifying Bank's name, Name and Address (with PIN No.) of the Branch, Account Type (Saving (SA) or Current (CA), Account No.
8. 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 Form.
9. Members are requested to notify promptly changes in their address to the Company quoting their Registered Folio Nos. at its Registered Office.
10. 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.
11. Investors who have not yet dematerialized their physical holding in the Company are advised to avail the facility of dematerialization urgently.
12. Members/Proxy are requested to bring attendance slip

KANPUR PLASTIPACK LIMITED

duly filled along with their copies of Annual Report in the meeting.

13. 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.
14. Details of Directors as required under Clause 49 of the Listing Agreement with the Stock Exchanges are as under:

Shri S.M. Jain & Shri P.K. Goenka are retiring by rotation and are eligible for re-appointment.

- a) Shri S.M. Jain is a retired top executive from renowned Public Sector Undertaking. He had been associated with various PSUs for a very long

period. He is a good administrator and has good contacts in Government Sector. In view of his knowledge and experience, the Board proposes to re-appoint him in the Board of Directors of the Company.

- b) Shri P.K. Goenka is a renowned Practicing Chartered Accountant of Kanpur. In view of his knowledge and experience on Financial matters, the Board proposes to re-appoint him in the Board of Directors of the Company.

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

Place: Kanpur
Date : 25th June, 2008

M. S. AGARWAL
Executive Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND OTHER GENERAL INFORMATION PURSUANT TO SECTION II PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956

ITEM NOS. 6, 7 and 8 :-

Shri M.S. Agarwal (Age 81 years) was appointed as Executive Chairman of your Company w.e.f. 1st September, 2005 for a period of three years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956. He has about 60 years experience of the Industry and is founder of KPPL. He has been guiding the Company's operations since its inception and under his able leadership, the Company has been able to firmly establish itself in the products it manufactures. Earlier as Company's Managing Director, he was instrumental to make Company turnaround and rehabilitate itself. Under his stewardship, the Company has recently completed major expansion programme. He has wide contacts in Financial Institutions and Government Departments. His continued services will be greatly beneficial to your Company. The Board proposes his further appointment as Executive Chairman w.e.f. 01/09/2008 for a period of three years on fresh terms & conditions as approved by the Remuneration Committee and as mentioned at Resolution no. 6.

Shri Manoj Agarwal (Age 54 Years) was appointed as Managing Director of your Company w.e.f. 1st September, 2005 for a period of three years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956. He has a Post Graduate Management Degree and has been guiding the Company's operations for about 30 years and now as its Managing Director. Under his able leadership, the Company's operations for Export Market with value added items has greatly improved. He has been instrumental in implementing the major expansion programme with thrust on Exports to cater the Export Market with State of Art

facilities compatible with International Standards. His continued services will be in great interest of your Company. The Board proposes his further appointment as Managing Director w.e.f. 01/09/2008 for a period of three years on fresh terms & conditions as approved by the Remuneration Committee and as mentioned at Resolution no. 7.

Shri A.K. Bhatnagar (Age 60 years) was appointed as Executive Director of your Company w.e.f. 01/09/2005 for a period of three years in accordance u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956. He is a Textile Graduate from IIT and with untiring efforts with the Company for over 25 years he has been professionally guiding the operations of your Company during all this period. He has wide experience in the Industry and the performance of the Company's operations continue to improve under his guidance. He is the pillar of the Company's success and therefore his continued services will be greatly beneficial to your Company. In view of his knowledge and experience, the Board proposes to re-appoint him as Executive Director w.e.f. 01/09/2008 for a further period of three years on fresh terms & conditions as approved by Remuneration Committee and as mentioned at Resolution no. 8.

In view of the increased cost of living coupled with prevalent scale of salary for the services of Chief Executives of the corporate sector, it is proposed to increase the overall remuneration of all Whole Time Directors.

The Board recommends the proposed resolution at Item Nos. 6, 7 & 8 for your approval as SPECIAL RESOLUTION. It is also pertinent to mention that Shri

THIRTY SEVENTH ANNUAL REPORT

M.S. Agarwal has attained the age of 81 years, hence in view of the amended Schedule XIII, of the Companies Act, 1956, his re-appointment shall not require Central Government's approval, if approved by shareholders by way of Special Resolution.

The mention of the terms and conditions of appointment of Shri M.S. Agarwal as Executive Chairman, Shri Manoj Agarwal as Managing Director and Shri A.K. Bhatnagar 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 M.S. Agarwal, Shri Manoj Agarwal Smt. Santosh Agarwal, being relatives and Shri A.K. Bhatnagar for himself are concerned or interested in these resolutions.

OTHER GENERAL INFORMATION :

- i) The Company is presently engaged in manufacturing of HDPE/PP Fabric, Sacks & FIBC Bags. The Company is also engaged as Consignment Stockist of M/s. GAIL (India) Ltd., which is Trading operation. The turnover of the Company and its Financial performance during last 3 years has been as under :

(In Lacs)

Year	Sales & Other Income	Operating Profits	Net Profit after Tax
2007-08	8043.27	614.90	183.35
2006-07	6657.20	433.32	144.80
2005-06	5222.83	218.19	40.19

- ii) The Company made exports of its products worth Rs. 3236.86 Lacs, Rs.4742.77 Lacs and Rs. 4902.59 Lacs during F. Ys. 2005-06, 2006-07 and 2007-08 respectively.
- iii) The past gross monthly salary of Shri M.S. Agarwal, Shri Manoj Agarwal and Shri A.K. Bhatnagar have been Rs. 1,75,000/-, Rs. 1,68,750/- and Rs. 80,000/- respectively. Apart from that, perquisites as approved by shareholders were availed by them.
- iv) In the industry, it is a normal trend of providing remuneration to the Chief Executives in the range of Rs. 30 to Rs. 36 Lacs inclusive of perquisites per annum. It is also pertinent to mention that even the loss making Companies are also providing remuneration of this level to its Chief Executives. The fact, which is very important, is the contribution of the person

towards the Company. The performance of the Company has improved substantially during the tenure of Shri M.S. Agarwal as Executive Chairman, Shri Manoj Agarwal as Managing Director, and Shri A.K. Bhatnagar as Executive Director of the Company.

- v) Shri M.S. Agarwal is the father of Shri Manoj Agarwal and is husband of Smt. Santosh Agarwal, Director of the Company.
- vi) There is no foreign investment or collaborators, etc.
- vii) No Stock Option benefit has been given to any Director.
- viii) Expected sales, production & profits are as under :-

(In lacs)

Year	Sales & Other Income	Operating Profit	Net Profits after Tax	Production in M.T.
2008-09	10645	881	298	9520

ITEM NO. 9 :-

Due to your Company's continued thrust on exports, need for an additional supporting hand by the export marketing department is being felt by the management for quite some time. As the position is such that it requires the incumbent to have knowledge of global practices in the industry and be able to perform the function of planning and coordination at global level. In addition he/she must be a person of integrity and confidence.

Therefore, keeping in view the skill set required, the management proposed appointment of Smt. Usha Agarwal wife of Shri Manoj Agarwal, Managing Director of the Company. The Board approved her appointment as Senior Manager (Marketing) at its meeting held on 25/06/2008 subject to approval of members and other approval, if necessary. The terms of appointment are as mentioned at the resolution no. 9. Your Directors recommend passing of this resolution.

None of the Directors except Shri M. S. Agarwal, Executive Chairman, Smt. Santosh Agarwal, Director and Shri Manoj Agarwal, Managing Director, being relatives of Smt. Usha Agarwal are concerned or interested in the resolution.

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

Place: Kanpur
Date : 25th June, 2008

M. S. AGARWAL
Executive Chairman

KANPUR PLASTIPACK LIMITED**DIRECTORS' REPORT****TO THE MEMBERS,**

Your Directors have pleasure in presenting the 37th Annual Report together with Audited Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS HIGHLIGHTS :

	<i>(Rs. in Lacs)</i>	
	2007-08	2006-07
Income	8043.27	6974.81
Operating Profit	614.90	433.32
Less : Interest	211.82	137.19
Less : Depreciation	121.72	73.08
Add : Adjustments relating to earlier year	0.06	0.45
Profit before Tax	281.42	223.50
Provision for taxation		
- Current	32.00	72.45
- Deferred Tax	63.08	3.23
- Fringe Benefit Tax	2.99	3.02
Net Profit for the year	183.35	144.80
Appropriation :		
Proposed dividend	53.06	35.38
Tax on distributed Profits	9.02	6.01
Transfer to General Reserve	Nil	Nil
Balance carried to Balance Sheet	593.03	471.76

REVIEW OF OPERATIONS :

Your Directors report with great satisfaction that the operations of your Company continue to show improved performance. During the year, Share Capital amounting to Rs.1,76,87,500/- was raised by way of Right Issue in the ratio of 1: 2. The facility on the new premises taken on lease from U.P.S.I.D.C. got fully commissioned in gradual phases and the operations have now stabilized where the entire Finishing Section has moved to a new spacious factory building, which has resulted in over all efficiency of operations. The new factory has been designed to meet International Standards to enable your Company becoming a Global Leader. The objects of the Right issue have been

fully met and the term loan taken from State Bank of India has been utilized. Gross Block has gone up to Rs. 3412 Lacs as against Rs. 1713 Lacs in the preceding year. The year has seen a jump in the profitability of the Company. Despite a higher allocation for depreciation and interest, the net profit of the Company has gone up by about 27%. The continued thrust on Value Added Exports has begun to yield results.

The Trading activities as consignment stockist of GAIL (India) Ltd. continues to contribute to the Company's bottom line.

DIVIDEND :

The Directors are pleased to recommend a dividend of 10% for the year 2007-08.

PROSPECTS :

With implementation of the modernization-cum-expansion programme undertaken during the year, your Company has now facilities to match International Standards for its products. The benefits of investment made during the year will start accruing from next year onwards where your Company should be able to achieve new targets and thus continue its growth. A matter of concern is the Global Economic Slowdown and extreme volatility in the Crude Oil prices in turn affecting Petroleum products. The Management however, is taking all possible judicious steps to safeguard the Company's interests. With growing demand in the packaging industry, future prospects are good.

FIXED DEPOSITS :

The Company has total fixed deposits of Rs.134.98 lacs (including interest accrued thereon) as on 31/03/2008. 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 :

In view of continued growth of the Company's Operations, Directors recommended the reappointment of Executive Chairman Shri M. S. Agarwal, Managing Director Shri Manoj Agarwal and Executive Director Shri A.K. Bhatnagar for a further period of three years w.e.f.1st September 2008 on fresh terms and conditions.

Shri S. M. Jain and Shri P. K. Goenka, Directors are retiring by rotation at the commencement of ensuing Annual General Meeting and are eligible for re-appointment. In view of the services rendered by the said directors and the growth, the Company has achieved under their able and versatile guidance, your Directors recommend their re-appointment

THIRTY SEVENTH ANNUAL REPORT

CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report and a Report on Corporate Governance are included in the Annual Report. The Auditors' certificate certifying that the Company has complied with the requirements of the Corporate Governance in terms of Clause 49 of the Listing Agreement is attached and forms part of the Annual 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 are given in Annexure 'B' which forms part of this report.

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

Particulars of employees required to be disclosed in terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the year 2007-08 are given in Annexure 'C' which forms part of this report.

LISTING :

The Company's Equity Shares continue to be listed at Mumbai Stock Exchange. We confirm that the Listing Fees for the financial year 2008-2009 has been paid to them. As reported earlier, we have completed all the legal formalities relating to the delisting of securities as per the provisions contained in SEBI (Delisting of Securities) Guidelines, 2003 from Calcutta Stock Exchange which has not responded despite our several reminders. Hence, we have presumed that they have delisted our securities.

AUDITORS :

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

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of your 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 2007-2008 and of the profit 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 on a going concern basis.

ACKNOWLEDGEMENT :

Your Directors take this opportunity of placing on record their sincere gratitude for overwhelming co-operation and assistance received from State Bank of India, other Govt. Agencies and esteemed customers for their continued support, co-operation and assistance during the year.

Your Directors also wish to place on record their appreciation for whole-hearted commitment, contribution, sincere and dedicated efforts put in by the Officers, Staff and Workers for maintaining continued improvement in Company's operations.

For and on behalf of the Board of Directors
FOR KANPUR PLASTIPACK LTD.

Place : Kanpur
Date : 25th June, 2008

M. S. AGARWAL
Executive Chairman