

*Celebrating 40 Years of Excellence*



# 40<sup>th</sup> Annual Report 2010-11



Providing solutions to Industrial Bulk Packaging



**KANPUR PLASTIPACK LIMITED**  
A STAR EXPORT HOUSE

## **MILESTONES IN THE HISTORY OF THE COMPANY**

1971	:	INCORPORATION OF THE COMPANY
1972	:	PRODUCTION OF HDPE WOVEN SACKS BEGINS
1984	:	IMPORT OF FIRST CIRCULAR LOOMS INTO THE COUNTRY
1986	:	ISSUE OF SHARES TO THE PUBLIC AND LISTING WITH BSE, UPSE & CSE
1987	:	EXPORTS OF PP BAGS TO EUROPE BEGINS
2000	:	PRODUCTION AND EXPORT OF FIBC'S TO EUROPE
2004	:	MAIDEN DECLARATION OF DIVIDEND
2008	:	ESTABLISHMENT OF NEW FINISHING UNIT AND SUBSTANTIAL EXPANSION IN FIBC'S
2011	:	PRODUCTION OF MULTIFILAMENT YARN BEGINS

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**KANPUR PLASTIPACK LIMITED**

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**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  
Dr. JAGAN NATH GUPTA  
Shri PREM S. KHAMESRA

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**

: Shri ANKUR SRIVASTAVA

**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, 1<sup>ST</sup> 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

## **NOTICE**

Notice is hereby given that the FORTIETH 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 Tuesday, the 27<sup>th</sup> day of September, 2011 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 31<sup>st</sup> March, 2011 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 P. K. Goenka, who retires by rotation and is eligible for re-appointment;
4. To appoint a Director in place of Dr. J. N. Gupta, who retires by rotation;
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 pursuant to the provisions of section 205 and Article No. 135 of Articles of Association of the Company and other applicable provisions of the Companies Act, 1956, if any, consent of the company be and is hereby accorded in favour of the Board of Directors to capitalise an amount of ₹ 2,65,31,250 (Rupees Two Crores Sixty Five Lacs Thirty One Thousand Two Hundred and Fifty Only) out of accumulated profits of the previous years and such amount be applied in paying up fully paid up 2653125 (Twenty Six Lacs Fifty Three Thousand One Hundred and Twenty Five) Equity Shares of ₹ 10 (Rupees Ten) each, to be allotted and distributed as fully paid bonus shares to the existing Equity Shareholders of 53,06,250 (Fifty Three Lacs Six Thousand Two Hundred and Fifty) Shares of the Company in proportion of 1 (One) Equity Share each for 2 (Two) Equity Shares held by such member as on the date of Book Closure as determined by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT the new Equity Shares shall be allotted subject to the provisions of Memorandum and Articles of Association of the Company and shall in all respects rank pari passu with the existing fully paid up Equity Shares of the Company, with a right, to participate in full in dividend, if any, declared by the Company, from time to time.”

“RESOLVED FURTHER THAT no allotment letters shall be issued to the allottees of the said Bonus Shares and that the Certificates in respect of the said Bonus Shares allotted shall be sent to the respective allottees within two months of the respective dates of allotment.”

“RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution.”

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

“RESOVLED THAT subject to the provisions of Sections 198, 269 & 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, consent of the Company be and is hereby accorded to the appointment of Shri Sunil Mehta as Director (Operations) for a period from 08<sup>th</sup> February, 2011 to 31<sup>st</sup> August, 2014 on the following terms and conditions :-

- I. *Remuneration* : ₹ 45,000/- – ₹ 7,500/- – ₹ 67,500/- per month  
(The icrement will be due on 1<sup>st</sup> January each year)
- II. *Self Development Allowance* : ₹ 15,000/- per month.
- 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 herein-after :-

**Category - 'A'**

**i) House Rent Allowance :**

House Rent Allowance shall be 50% of salary.

**ii) Medical Reimbursement :**

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

**iii) Leave Travel Concession :**

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

**iv) 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 ₹ 12,000/-.

**Category – 'B'**

**i)** Company's contribution towards Provident Fund as per 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 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 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 personal purpose.

**ii)** The Company shall provide him mobile phone and telephone, and other communication facilities at residence and these 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 Sunil Mehta, by way of salary, allowances and perquisites, shall not exceed the maximum limits as prescribed under Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution."

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

"RESOVLED THAT Shri Prem S. Khamesra who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has

received a notice under Section 257 in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER THAT Shri Prem S. Khamesra shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution.”

**9. To consider and if thought fit to pass with or without modification(s) the following resolution as 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, consent of the Company be and is hereby accorded to the re-appointment of Shri Mahesh Swarup 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. 1<sup>st</sup> September, 2011 :

I. *Basic Salary* : ₹ 2,70,000/- 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 10% 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.

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 ₹ 15,000/- per annum.

**iii) Leave Travel Concession :**

For self 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 ₹ 12,000/-.

**Category – ‘B’**

i) Company’s contribution towards Provident Fund as per 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 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 single or put together are not taxable under the Income Tax Act, 1961.

iii) Gratuity as per 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 Mahesh Swarup Agarwal by way of salary, allowances and perquisites, shall not exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956.”

“RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution.”

**10. To consider and if thought fit to pass with or without modification(s) the following resolution as 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 re-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. 1<sup>st</sup> September, 2011 :

I. *Remuneration* : ₹ 2,40,000/- – ₹ 15,000/- — ₹ 2,70,000/- 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 limiting to ₹ 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 ₹ 12,000/-

**Category – ‘B’**

- i) Company’s contribution towards Provident Fund as per 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 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 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 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."

"RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary of the Company be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things to give effect to the above resolution."

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

"RESOVLED THAT subject to the provisions of Section 198 & 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, the consent of the Company be and is hereby accorded to revise the terms and conditions of appointment of Shri Shashank Agarwal Director (Technical) for the remaining tenure of his present term :-

*I. Remuneration* : ₹ 70,000/- – ₹ 10,000/- – ₹ 90,000/- per month

(The increment will be due on 1<sup>st</sup> January each year)

*II. Self Development Allowance* : ₹ 15,000/- per month.

*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 Director (Technical). 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 ₹ 12000/-.

**Category – ‘B’**

- i) Company's contribution towards Provident Fund as per 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 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.
- iii) Gratuity as per 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 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 Shashank Agarwal, by way of salary, allowances and perquisites, shall not exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT Shri Mahesh Swarup Agarwal, Executive Chairman, Shri Manoj Agarwal, Managing Director and Shri Ankur Srivastava, Company Secretary be and are hereby jointly and / or severally authorised to do all such acts, deeds and things as may be expedient, desirable and necessary to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, if any, the borrowing power of the Company be and is hereby increased from ₹ 100 Crores to ₹ 150 Crores."

"RESOLVED FURTHER THAT consent of the Company be and is hereby accorded in favour of the Board of Directors to borrow moneys from time to time upto the limit not exceeding ₹ 150 Crores (Rupees Hundred and Fifty Crores Only) notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) exceed the aggregate of paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

"RESOLVED FURTHER THAT Shri Manoj Agarwal, Managing Director, Shri Shashank Agarwal, Director (Technical) and Shri Ankur Srivastava, Company Secretary be and are hereby jointly and / or severally authorised to do all such acts, deeds and things as may be necessary, desirable and expedient to give effect to the above resolution."

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

“RESOLVED THAT pursuant to the provisions of Section 94(1)(a) and other applicable provisions of the Companies Act, 1956, if any, Authorised Share Capital of the Company be increased from ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 80,00,000 (Eighty Lacs) Equity Shares of ₹ 10/- each and 20,00,000 Preference Shares of ₹ 10/- each to ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 1,60,00,000 (One Crores Sixty Lacs) Equity Shares of ₹ 10/- each and 40,00,000 (Forty Lacs) Preference Shares of ₹ 10/- each.”

“RESOLVED FURTHER THAT clause V of the Memorandum of Association of the Company be substituted as under :-

“The Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores Only) divided into 1,60,00,000 (One Crores Sixty Lacs) Equity Shares of ₹ 10/- each and 40,00,000 (Forty Lacs) Preference Shares of ₹ 10/- each with power to increase or reduce the capital and to divide and subdivide the shares into several classes and to attach there to respectively such preferential qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956, or as provided by the Articles of Association of the Company for the time being.”

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

**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 20/09/2011 to 27/09/2011 (both days inclusive). The entitlement to dividend on shares, if declared, and Bonus, if approved, 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 19/09/2011 and the beneficial owners as per the Beneficiary List at the close of the business hours on 19/09/2011 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 31.03.2011
1.	2004-05	₹ 2,68,591.00
2.	2005-06	₹ 2,16,208.20
3.	2006-07	₹ 3,42,364.00
4.	2007-08	₹ 3,43,844.00
5.	2008-09	₹ 2,16,335.60
6.	2009-10	₹ 3,39,611.80

Investors are advised to send all un-encashed dividend warrants pertaining to the years shown above to the Company for revalidation.