



**KANPUR
PLASTIPACK
LTD**

A STAR EXPORT HOUSE

Over 40 Years Of Excellence

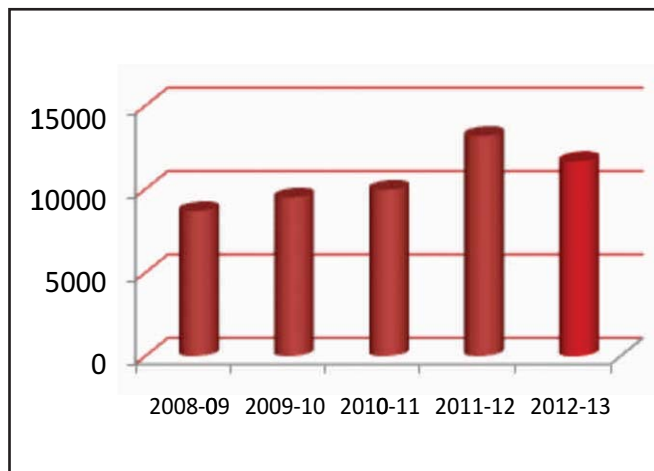
42nd Annual Report 2012-13

**PROVIDING SOLUTIONS TO
INDUSTRIAL BULK PACKAGING**

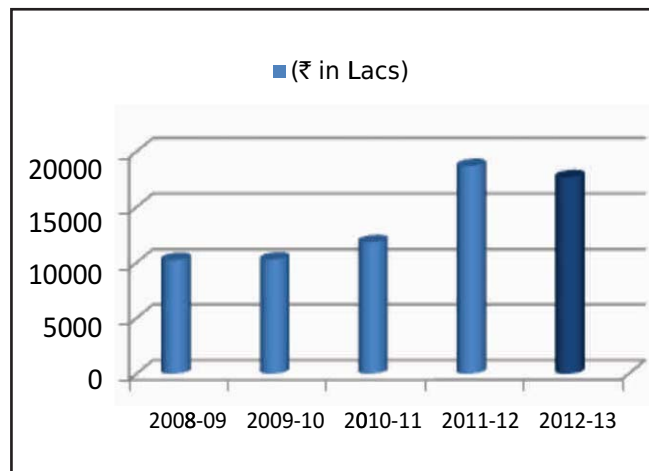


**Think FIBCs
Think KPL**

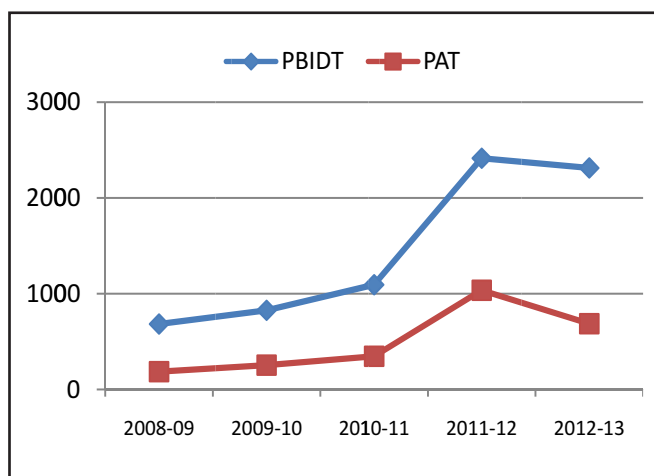
Production (MT)



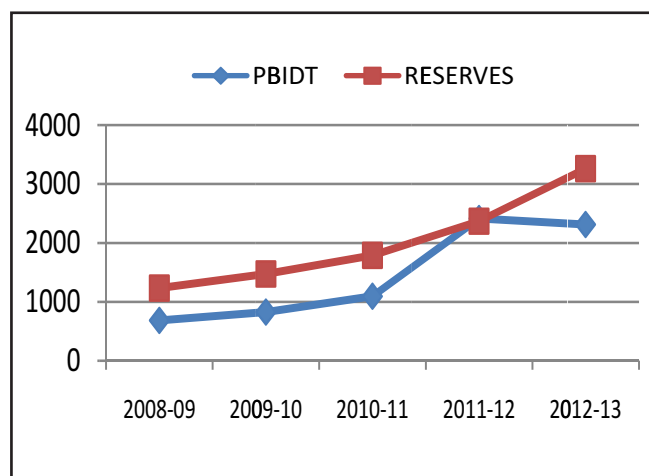
Sales & Other Income



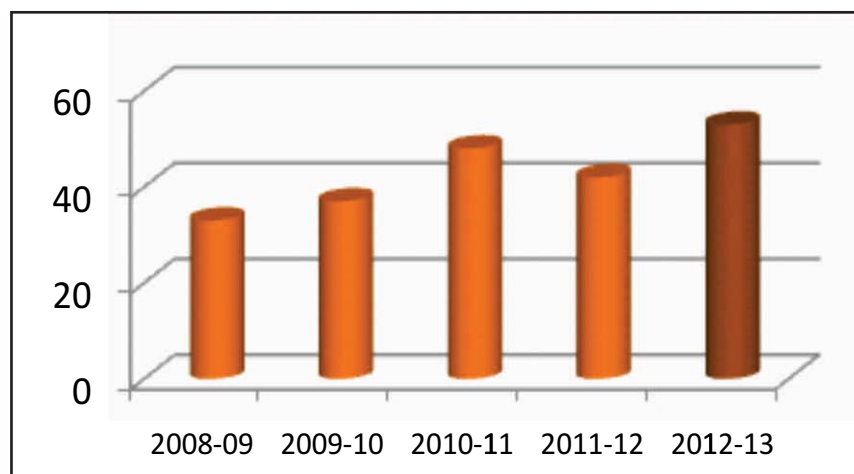
PBIDT Vs PAT



PBIDT Vs Reserves



Book Value Per Shares (₹)



KANPUR PLASTIPACK LIMITED

BOARD OF DIRECTORS

- *Chairman Emeritus* : 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 ANKUR SRIVASTAVA

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

: STATE BANK OF INDIA

REGISTRAR AND SHARE TRANSFER AGENT: M/s 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
- 4. 79A, CO-OPERATIVE INDUSTRIAL ESTATE,
DADA NAGAR, KANPUR - 208 022

FORTY-SECOND ANNUAL REPORT

NOTICE

Notice is hereby given that the **FORTY- SECOND ANNUAL GENERAL MEETING OF M/S KANPUR PLASTIPACK LIMITED** will be held at its Registered Office at D-19-20, Panki Industrial Area, Kanpur – 208 022 on Tuesday, the 10th day of September, 2013 at 12:00 Noon to transact the following businesses :

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Profit & Loss account of the Company for the financial year ended 31st March, 2013 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 Prem S. Khamesra, 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, consent of the Company be and is hereby accorded to the re-appointment of Shri Shashank Agarwal as Director (Technical) of the Company on fresh terms and conditions as contained herein below for the period from 5th June, 2013 to 31st May, 2016:

- I. Remuneration* : ₹ 1,20,000/- - ₹ 15,000/- – ₹ 1,65,000/- per month
(The increment will be due on 1st 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 the 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 ₹ 12,000/-.

Category – ‘B’

- 1) 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.
- 2) 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.
- 3) Gratuity as per the rules of the Company but shall not exceed half month's salary for each completed year of service.
- 4) Encashment of leave at the end of tenure of service will not be included in the computation of the ceiling on perquisites.
- 5) 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 other communication facilities at residence and these further will not be considered as perquisites.

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.”

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 3rd September, 2013 to 10th September, 2013 (both days inclusive). The entitlement to dividend on shares, if declared, will be determined on the basis of names registered 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 2nd September, 2013 and the beneficial owners as per the Beneficiary List at the close of the business hours on 2nd September, 2013 as 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 :-

FORTY-SECOND ANNUAL REPORT

S. No.	Dividend Year	Unpaid Balance as on 31/03/2013
1.	2005-06	₹ 2,10,808.20
2.	2006-07	₹ 3,41,464.00
3.	2007-08	₹ 3,42,644.00
4.	2008-09	₹ 2,10,615.60
5.	2009-10	₹ 3,30,920.00
6.	2010-11	₹ 3,41,858.00
7.	2011-12	₹ 5,26,589.00

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 2005-06 will become due for transfer to Investor Education and Protection Fund (IEPF) on 04/10/2013.

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), 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 and send Feedback Form provided in the Annual Report 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 Prem S. Khamesra aged about 57 years, is a rank holder Chartered Accountant and has 28 years practicing experience. He has vast and diversified experience. Considering his expertise and experience, the Board proposes to re-appoint him as a Director of the Company.

Shri P. K. Goenka aged about 58 years, 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 as a Director of the Company.

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

Place : Kanpur
Date : 27th May, 2013

ANKUR SRIVASTAVA
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6 :-

Shri Shashank Agarwal was appointed as Director (Technical) of your Company w.e.f. 05th June, 2010 for a period of three years u/s 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956. He graduated from the University of Nottingham, UK obtaining the degree in B. Engg. (Hons.) (Manufacturing Engineering & Operation Management). With his expertise he has brought various improvements in the production and marketing strategies, which considerably improved the Company's performance. Considering his technical background and contribution towards growth of the Company, his continued services will be beneficial for the Company. The Board has re-appointed him as Director (Technical) for a further period from 5th June, 2013 to 31st May, 2016 in its meeting held on 27th May 2013, subject to the approval of shareholders, on fresh terms & conditions as approved by the Remuneration Committee and as mentioned in Resolution no. 6.

The Board recommends passing of above resolution as a SPECIAL RESOLUTION.

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

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

Place : Kanpur
Date : 27th May, 2013

ANKUR SRIVASTAVA
Company Secretary

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OTHER GENERAL INFORMATION :

- i) The Company is presently engaged in manufacturing of HDPE/PP Fabric, Sacks, FIBC Bags and Multi Filament Yarn (MFY). The turnover of the Company and its financial performance during last 3 years have been as under :

(₹ In Lacs)

Year	Sales & Other Income	Operating Profits	Net Profit after Tax
2012-13	17681	2312	687
2011-12	18696	2414	1037
2010-11	11835	1093	347

- ii) The Export performance of the Company are ₹ 9,096 Lacs, ₹ 15,239 Lacs and ₹ 14,531 Lacs during 2010-11, 2011-12 and 2012-13, respectively.
- iii) There is no foreign investment or collaborators etc.
- iv) Shri Shashank Agarwal is the grandson of Shri Mahesh Swarup Agarwal, Chairman Emeritus and son of Shri Manoj Agarwal, Managing Director of the Company and has no pecuniary relationship with the Company except as an employee. The background and other details of Shri Shashank Agarwal are as per explanatory statement.
- v) In the industry, it is a normal trend of providing remuneration to the Chief Executives about ₹ 36 Lacs inclusive of perquisites per annum. With the exemplary efforts of Shri Shashank Agarwal the performance of Company has remarkably improved and as such, his proposed remuneration does not exceed the industry norms.
- vi) The Company has earned profits after tax to the tune of ₹ 687.13 Lacs during the financial year ended 31st March, 2013 and as such having a sound profitability which is expected to increase in future. The phrase “inadequate profits” is only indicative that the salary payable to the managerial personnel exceeds the limits provided by section 198 and 309 of the Companies Act, 1956 and therefore, the provisions of section II of Schedule XIII of the said act become applicable.

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

Place : Kanpur
Date : 27th May, 2013

ANKUR SRIVASTAVA
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, 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 email 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 42nd Annual Report together with Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

		(₹ in Lacs)
	2012-13	2011-12
Sale of products	17,518.42	18,362.40
Other Income	162.51	333.52
Total Income	17,680.93	18,695.92
Net Profit after tax	687.13	1,036.92
Appropriation:		
Transfer to General Reserve	20.00	160.00
Transfer to Quality Claim Reserve Fund	13.00	—
Proposed Equity Dividend	79.59	79.59
Dividend on Preference Shares	24.00	24.00
Tax on Dividend	16.81	16.81
Balance carried to Balance Sheet	533.73	756.52

REVIEW OF OPERATIONS :

Financial Year 2012-13 proved to be a challenging year due to global economic uncertainties and disturbances which affected industries worldwide leading to a significant impact on your Company. The management has tried its best to stabilize the operations with some success. During the year some highlights of the performance of your Company are as under:

- Sales : ₹ 17,518.42 Lacs;
- PBIDT : ₹ 2,312.54 Lacs;
- Net Profit : ₹ 687.13 Lacs.

During the year your Company aggressively explored new markets with success in new territories of South America, USA and CIS.

The silver lining is the relaxation in the JPMA where 40% of sugar & 10% of food grain have been permitted to be packed in plastic bags for the first time by the Government. Your Company was well placed to take advantage of this relaxation and shipped out over 30 Lacs sugar bags and over 35 Lacs food grain bags.

The trading activities as Del Credere Associate Cum Consignment Stockist of Indian Oil Corporation Limited (IOCL) have stabilized and is showing improved performance with an increase of about 8% in sales.

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DIVIDEND:

Your Directors recommend a dividend @ 10% (i.e. ₹ 1) per Equity Share for the financial year 2012-13. Dividend on Preference Shares is being recommended @ 12% according to the terms of their issue.

PROSPECTS :

While the economic situation in Europe is far from satisfactory, initiatives taken by the management to develop new markets and some specialized products will show positive results in the year 2013-14. There is strong interest from USA and early signs of recovery in Germany which will help the Company.

FIXED DEPOSITS:

The Company has total fixed deposits of ₹ 344.99 Lacs (including interest accrued thereon) as on 31st March, 2013. 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 Prem S. Khamesra and Shri P. K. Goenka 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.

The Board re-appointed Shri Shashank Agarwal, Director Technical, subject to the approval of shareholders in ensuing Annual General Meeting, for the period from 5th June, 2013 to 31st May, 2016.

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 2012-13 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 2013-14 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.

COST AUDITOR:

Pursuant to the direction of Ministry of Corporate Affairs Cost Audit Order No.52/26/CAB-2010 dated 24.01.2012 &