



EVOLVING

FROM LEGACY TO BEING
FUTURE READY

For more than five decades, we have evolved relentlessly to steadily broaden our portfolio of offerings, deepen the level of integration across the operational canvas and serve our global customers with dedication and integrity.

The result is that we are now a fully integrated end-to-end Industrial Bulk Packaging Solution Provider with a diverse range of superior quality products, which makes us the world’s leading manufacturer and exporter of FIBCs, bulk bags and MFY.

Our world-class certified facilities, proven expertise and deep technical knowledge enables us to match international standards, reaffirming our commitment to excellence.

We are building scale, diversifying to acquire new customers and capture new markets, investing in technology upgradation, products and processes and above all leveraging artificial intelligence and digitalisation to improve our operational efficiency. On the other hand, increased dependency on renewable energy sources is leading to cost savings and sustainable growth.



In brief, we are putting in place the right building blocks to grow responsibly for the next 50 years and beyond.



150%

Growth in Market Cap (FY 18-22)

124%

Revenue growth (FY18-22)

55%

Net profit growth (FY18-22)

50+

Years of Legacy

8+ Million

FIBC produced in 2021

'A+' Grade

BRCGS



To know more about us in digital mode, scan this QR code in your QR mobile application.

Forward looking statement

Some information in this report may contain forward-looking statements. These forward looking statements are based on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases may vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or basis and actual results can be material, depending on the circumstances.

Inside the Report

CORPORATE OVERVIEW

Page 02-18

- 02 Who We Are
- 04 What We Do
- 06 Future Plan
- 08 Message from Chairman cum Managing Director
- 09 Q&A with Dy. Managing Director
- 10 Our Fact Sheet
- 12 Our Financial Performance
- 13 Our Strengths
- 14 Environment, Social and Governance (ESG)
- 16 Board of Directors
- 18 Corporate Information

STATUTORY REPORTS

Page 19-65

- 20 Notice
- 30 Board’s Report
- 59 Management Discussion & Analysis

FINANCIAL STATEMENTS

Page 66-154

- 67 Standalone Financial Statements
- 112 Consolidated Financial Statements

WHO WE ARE

The values we stand for

Our story

Despite five decades of economic and industry headwinds, KPL has remained committed to its **fundamental values.**

Values



Deliver what is promised



Embrace Challenges



Process oriented

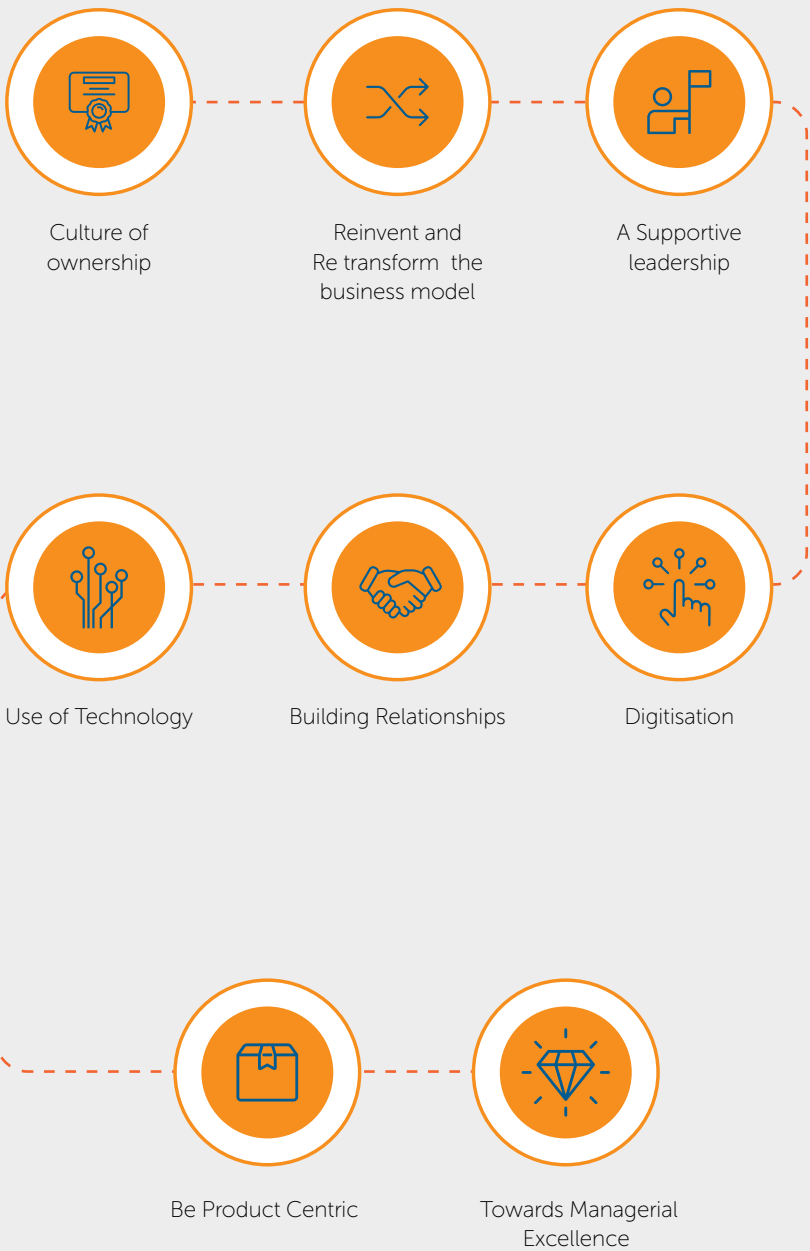


Agility

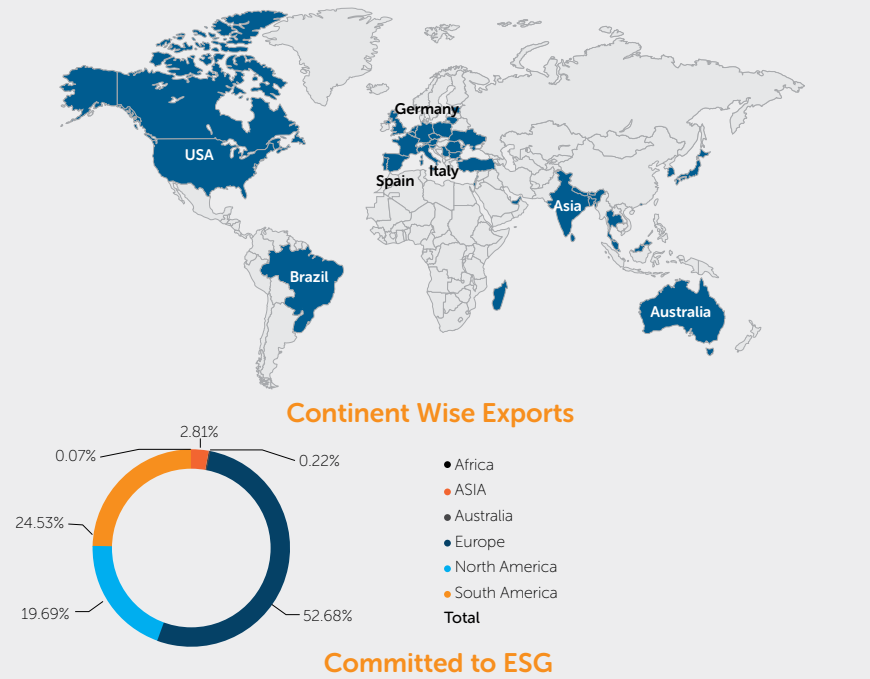



Committed

Our building blocks




Global presence






Environment

Frontrunner in adapting to renewable energy sources



Social

Building a rewarding career for employees and drive community development



Governance

Continued improvement in management transparency and enhancing corporate governance

Stakeholder ecosystem

 Customers	 Investors	 Suppliers	 Employees	 Government & Regulators
--	--	--	--	--

- ## First

In North India to start production of HDPE woven sacks in early **1970s**
- ## First

In India to import equipment from best-in-class global manufacturers in early **1980s**
- ## First

To export PP woven sacks from India to Europe in late **1980s**
- ## First

Few to begin manufacturing FIBCs in India in early **2000**
- ## First

In Uttar Pradesh to install roof-top solar power generation facilities in early **2014**
- ## First

In the bulk packaging industry to complete 50 years in **2021**

WHAT WE DO

From 10 tonnes/month production in 1971 to 2,500 tonnes/month today

We commenced our journey with woven sacks decades ago. Today our business has evolved into a diversified product offering, with new production plants, advanced machinery, expanded capacities and a growing market presence delivering a complete solution to Industrial Bulk Packaging

Production Capacity


Quantity sold in FY22

Share in revenue in FY22*

Overview

Application industries

Flexible Intermediate Bulk Containers (FIBCs)



18000 MT

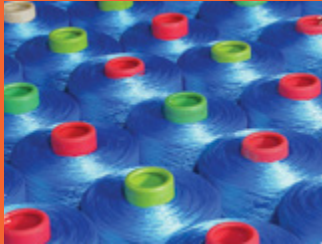
12997 MT

46.16 %

Referred to as bulk bags, FIBCs are used to transport bulk materials for several downstream industries. As the largest revenue contributor, FIBCs continue to serve customers across the globe

Chemicals | Fertilisers | Fibreglass | Processed Food Products | Agriculture | Mining | Construction | Chemicals & Pigments | Plastic

PP High Tenacity Multifilament Yarn (MFY)



6000 MT


4257 MT

10.38 %

Best grades of MFY, customized to customer requirements for multiple applications. The business continues to prosper with a growing international market presence.

Rope | Sewing Thread | Handicraft | Polypropylene Cloth | Container Bag | Shoe Lace | Safety Net | Belts | Saddlery

Fabric



10200 MT


8989 MT

25.28 %

A popular product, it continues to find acceptance due to its durability and cost competitiveness. Our circular and suzler looms provide flexibility to offer coloured and UV stabilize fabric

Packing | Flexible | Intermediate Bulk Container (FIBC) | Outdoor Covers | Tarpaulin | Garden | Covers PP Bags used for fertiliser | Cement | Foodgrains

UV Masterbatch



1200 MT

582 MT

1.99 %

We recently forayed into the UV masterbatch segment. Our use of modern technology offers customised and cost saving masterbatch solutions helping in captive consumption and better offerings to the market.

FIBC bags | MFY | PP Woven Sacks | Greenhouse Film | Moulded Crates | Drums | Garbage Cans | Garden Furniture | Outdoor Articles | Tarpaulin | Roto Moulded Water Tank | Shade Net

* Balance revenue comprises sale of products from small bags, granules, and others

> 04

05 <

FUTURE PLAN

Cast Polypropylene Film (CPP) Project

The new production line for Cast Polypropylene (CPP) film at Unit-3, Gajner Road, will further diversify our product portfolio and is expected to be functional by Q1 FY 23-24. The production line is high on automation to build quality products for mainly the domestic market.

₹96.78 Crore
Total Cost of Project


8880 MT (CPP)
Total Saleable quantity

About CPP :


CPP is a polypropylene based film produced by a cast extrusion process. Normally the term CPP is used to refer to high clarity Cast PP films used for lamination, metallization, packaging type of applications, although there is a variety of CPP film that is also used for hygiene applications and synthetic paper. The films have excellent clarity & gloss. The versatility and properties of CPP are combined to set it apart from other materials which has established itself as a true performance film.

As a packaging material, CPP can give the product the shelf presence it needs to capture consumer interest and generate outstanding sales.


Common Applications:




Bags for garments, hosiery, and flowers




Food Packaging




Pouches, Wrapping




Films for files and photo albums




Metallized films for barrier packaging and decoration




Food wrap, Candy wrap (twist films)




Medical packaging (IV bags, medical device pouches, etc.)



PVC Replacement in photo albums, folders, files, etc.



Pressure sensitive tapes, Synthetic paper



Report covers, Business card holders

Award

We are the

1st

FIBC company in the World to have A+ Grade against BRCGS for Packaging Materials.



Message from Chairman Cum Managing Director



"I am proud of our continued resilience and capacity to deliver on promises. Overall, the team delivered a healthy growth in volumes across product offerings."

Dear Shareholders,

The fiscal 2021-22 was a transformative year, unlike any previous years. The year began with the second wave of Covid-19 and ended with geopolitical uncertainties creating further challenges for business. While the pandemic waded, thankfully not bringing along the severity of lockdowns witnessed earlier, it continued to disrupt business globally. We saw wild fluctuations in Input prices and various commodities coupled with an ongoing difficult situation with shipping and logistics it is safe to say we could have done better.

A landmark year

FY 2021-22 was a landmark year at KPL as we continued to move ahead on our long-term targets. Being among the very few companies in our industry to operate for five decades, we once again delivered on our promise of expanding our market presence globally with new innovative products and geographical outreach. This has helped us record an impressive 39% growth in the top line reaching ₹ 637.75 Cr. for the fiscal year under

review, as compared to ₹ 459.16 Cr. in FY 2020-21. However, like all businesses, we were also impacted with rising costs for commodities and logistics that brought down our profitability and margins. This was despite a visible demand contraction in the western economies which are plagued with a looming recession and historical high rates of inflation. The year saw two very significant moves towards a sustainable future from the company. The power purchase agreement for sourcing solar power was fully operationalised during the year leading to a total saving of almost ₹ 2.63 Cr. In addition, we entered into a contract for a 2750 Kwp roof top solar power installation system at Unit 3 under the Opex mode.

Building momentum

I am proud of our continued resilience and capacity to deliver on promises. We have added more than 20 customers and penetrated three new countries, powering a healthy top line growth. Overall, the team delivered a healthy growth in volumes across product offerings. As we entered the new financial year multiple headwinds have emerged pushing the global economy

back towards a state of crises. The war in Ukraine and consequential high oil prices are acting as temporary dampeners. We are, however, confident that we are on the path of growth. The company's plans to diversify into Flexible Films is on track with machines from the best state of art manufacturers having been ordered and land and building acquired and ready.

Way forward

At KPL, we are now writing a new chapter in our illustrious corporate history as we completed five decades. Over the years, we have navigated multiple challenges, evolving and transforming ourselves with the changing dynamics of the industry and business. Our agility and resilience, guided by strong business purposes have led to sustained growth of business in all these years. These values form an integral part of our future as we look forward to emerging opportunities ahead.

Regards,

MANOJ AGARWAL

Chairman Cum Managing Director

Q&A with Dy. Managing Director



from international markets, we remain resolute to sustain our market leadership as one of the largest bulk packaging and FIBC players in the world. As part of our strategy, we continue to open offices and subsidiaries in international countries to further penetrate existing markets and neighbouring countries too.

Q:

Can you summarise your thoughts for way forward for KPL?

A:

Despite the radically heightened external risk environment, our resilient business model, conforming to agility and effectiveness will drive the business forward. Our prudent cash flow management and strategic expansion in production capacities are pivots of sustained business growth in the mid-term. The team's adaptability to deliver operational excellence during and post the pandemic is enabling us to penetrate newer geographies while also increase the wallet share for existing customers.

SHASHANK AGARWAL

Deputy Managing Director

Q:

A year that marked growth in topline but subdued profitability levels. Could you please elaborate with specific reasons for this?

A:

Yes, definitely. While economists debated on the type of recovery after pandemic-induced recession in 2020, it ultimately recovered in a K-shape. While some businesses lagged behind, finding it difficult to bounce back, few recorded best-ever results. I am happy to report, your company has delivered some of the best results in our history in the last 2 years, post the pandemic of Covid-19. Yet again, we delivered a revenue growth of 39% during FY22, validating our resilient business model approach. However, the supply chain disruption, rising fuel cost and volatility in commodity prices did impact the margins and profitability, marginally reducing them over the highs of the previous year.

Q:

What are the efforts undertaken to withstand these inflationary challenges?

A:

We are continuously optimising our operations with the introduction of technology across key processes. Introduction of Artificial Intelligence and Digitisation continue to improve efficiency levels, increasing productivity and volumes across our diverse product portfolio. A focused approach, through planning and ruthless execution will continue to breed success and deliver rewarding performance.

Q:

International markets is the key to business growth. What strategies are we shaping up to widen our international presence?

A:

We continue to widen our international presence, being present in more than 40 countries. With revenues comprising 71%

OUR FACT SHEET

A saga of consistent performance

Financial

₹63775 Lakhs
Revenue

124% ↑
5-year CAGR

₹2621 Lakhs
Profit after tax

55% ↑
5-year CAGR

401 Lakhs
Dividend payout (2021-22)

18 YEARS ↑
Of consistent dividend payment

₹5455 Lakhs
EBIDTA

74% ↑
5-year CAGR

₹27472 Lakhs
Gross Block

85% ↑
5-year CAGR

₹26000 Lakhs
Market capitalisation
(As on March 31, 2022)

Operational

3
Manufacturing units

40+
Countries of presence

1500 +
Employees

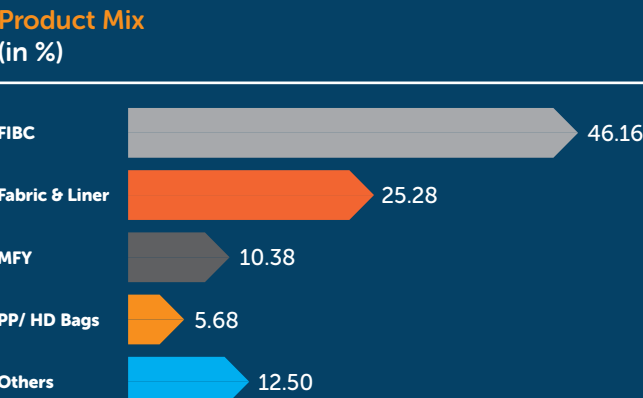
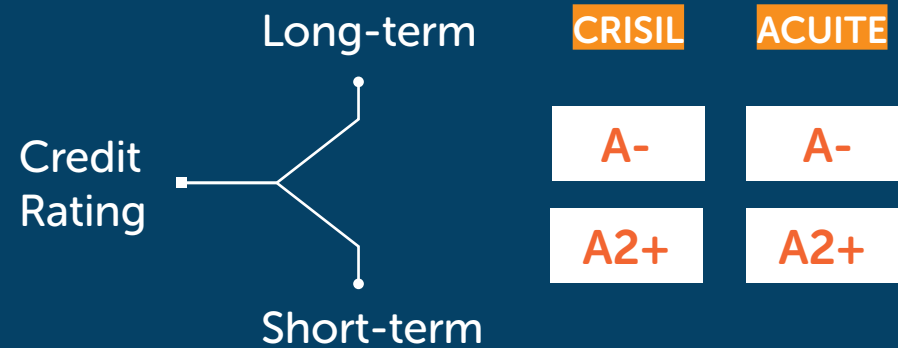
150000 Sq.Mtrs.
Total Land Arch (Across all units)

31934 MT
Sales

16% PY ↑

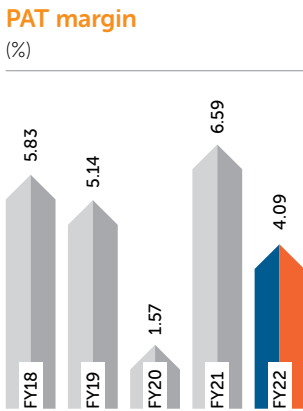
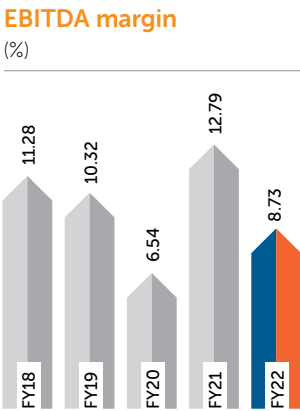
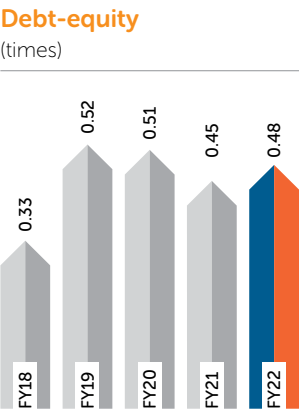
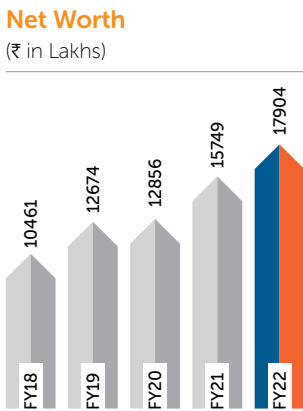
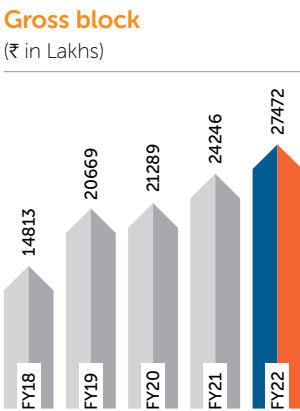
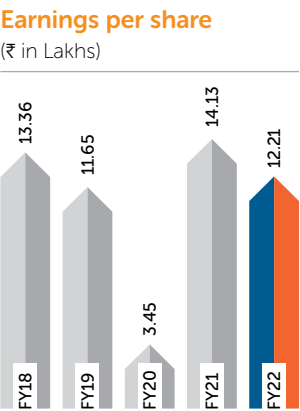
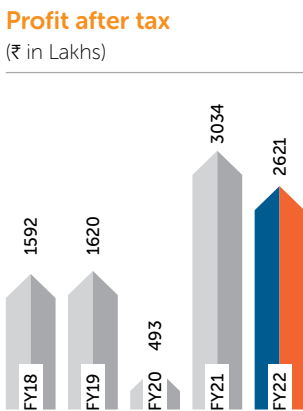
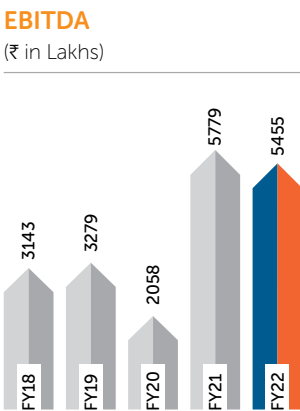
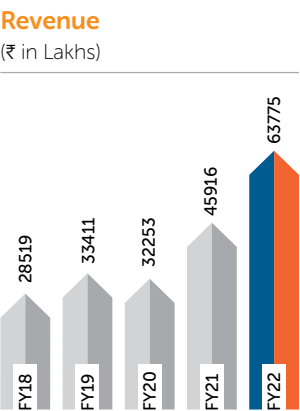
32399 MT
Production

15% PY ↑



OUR FINANCIAL PERFORMANCE

From a legacy business to achieving financial stability and momentum




OUR STRENGTHS

From moderate skills to differentiated & reputed BRAND


Rich sectoral knowledge


50+ YEARS
of operational experience


Diversified & de-risked

MULTI-SECTORAL
presence

MULTI-GEOGRAPHIC
business

MULTI-CLIENT
service


Solid financials

LOW
debt equity

STRONG
liquidity position

HEALTHY
cash flow every year


Robust manufacturing capabilities

State of the Art
MANUFACTURING FACILITIES

One of the
LARGEST in scale

World-class
TECHNOLOGY INTEGRATED operations

GLOBALLY certified facilities


Large product basket

Offers complete solutions to
INDUSTRIAL PACKAGING

Product cater to an array of
SECTORAL APPLICATIONS

Possess extensive capability to customize products to
CUSTOMER REQUIREMENTS


Sustainable Stakeholder Value Creation

SUSTAINABLE
Deliver sustainable products and solutions

ENVIRONMENT
Maintaining environment commitment

TECHNOLOGY
Adopting new technology & AI

RENEWABLE ENERGY
Increased usage of renewable energy

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

From financial metrics to expanding focus on non-financial metrics

Good Corporate Governance practices stem from the culture and mindset of the Company. KPL is committed towards environment, social and governance benchmarks to act as a responsible and sustainable business, with focus on long-term value creation. Our approach remained agile reflecting our philosophy of growing responsibly and ensuring sustainable future.

Environment

KPL has been a frontrunner in the adoption of renewable energy sources. With sustainability rooted in the organisational edifice, we have emerged among the first businesses in Uttar Pradesh to invest in rooftop solar installation.

We currently source our renewable energy needs from the following modes:

OPEN Access Mode through Power Purchase Agreement
(9.375 MW)

ROOF Top Solar Installation under Direct mode
(577 KWp)

ROOF Top Solar Installation under OPEX mode
(2750 KWp)

A total of 89.14 Lacs units of power availed from various renewable energy sources during the year resulting in savings of ₹ 2.63 Cr. and reduction of emission of carbon in the environment by about 6903.7MT.

The Company is currently sourcing 52% power needs from renewable power sources and with implementation of new

2750 KWp Roof Top solar power general system at, Unit 3 it is expected that total 60% of total power needs of the Company would be sourced through renewable power sources thus contributing a great deal to save the environment.

25%
Energy requirement from renewable sources in FY22

89 Lacs Units
from renewable sources in FY22

Creating the Green cover
KPL adopted a park for the conservation of flora and fauna and its beautification under its CSR programme.



Social

We intend to give back to the communities where we operate, without whose support, we would never be able to achieve our business growth. We will continue to strengthen our community investments to support their wellbeing.

Focus areas



Healthcare

- ▶ We have established a clinic in Nauraiya Khara village located adjoining its factory to provide free medical facilities to the villagers of nearby locations.
- ▶ We have organised Health check-up camps for villagers residing in villages proximate to the Company's factory.

During the year
7272

Patients treated through free medical clinic

461

Number of patients attended the medical camps

Education & Skill Development

- ▶ We have funded the salary for two speech therapist at Jyoti Bal Vikas Sanstha, a school for the hearing impaired in Bithoor to train differently-abled children
- ▶ We have sponsored the Comfest of Seth Anandram Jaipuria School, Cantt, Kanpur - an annual festival to promote and encourage the skillsets of students



Community development

- ▶ Distribution of masks and sanitizer to the local administration
- ▶ Aid to Smt. Kulwanti Bhatia Charitable Trust Society for providing Ventilators to the hospitals
- ▶ Distributed Bi-Pap Machines to the medicine department of GSVM Medical College Kanpur
- ▶ Financed and organised the setting up of Ceiling Fans at Public Health Center Rania Kanpur
- ▶ Donated Air Conditioners to GSVM Medical College Kanpur

Governance

With regard to Governance, the Company's core values pivot around the principles of independence, transparency, accountability, responsibility, compliance, ethics and trust. We, at KPL, believe that sound corporate governance practices are vital for creating and sustaining values. Thus, we remain committed at ensuring ethical, legal and transparent conduct of operations.

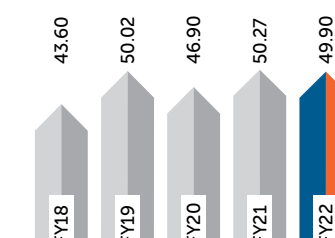
Over the years, we have built a robust governance framework that guarantees compliance with laws & their integration in everyday decisions. Our Board also strives to ensure continuous improvement and awareness creation about our corporate governance principles, policies and practices.

The Governance structure:

The Company follows three tier of Governance structure as under:

- ▶ Strategic Supervision: By the Board of Directors and committees thereof comprising more than 50% independent directors.
- ▶ Executive Management: by the team of professionally trained and experienced team comprising Chairman cum Managing Director, Deputy Managing Director, Executive Director and Senior leaders.
- ▶ Operational Management: by the respective officers and heads of the departments.

The three tier governance structure, besides ensuring greater management accountability and credibility, facilitates increased autonomy in the business. Disciplined performance of leaders leading to increased public confidence.

Expenditure for Social Cause
(₹ in lakhs)

Board of Directors

MANOJ AGARWAL
Chairman Cum Managing Director

He holds a Masters in Management Studies from BITS, Pilani and has been guiding the Company's Operations for over 40 years. Under his able leadership the Company's operations have improved considerably. He holds vast experience in operations, administration & export marketing. He has been the past Chairman of the Plastics Export Promotion Council and a member of its COA, a Past President of the Tie UP chapter, Past President of Indian Flexible Intermediate Bulk Container Association, Member of the Management Committee of Plastindia foundation and is actively involved in a number of professional and social bodies.

M M M

SHASHANK AGARWAL
Deputy Managing Director

He holds a B. Engg. (Hons.) degree in Manufacturing Engineering & Operation Management from the University of Nottingham, UK. He has also done a summer course on International Marketing from Harvard Business School, USA, prior to joining the Company. Now he has completed more than 10 years in the Company and has been instrumental in streamlining the Company's operations with backward integration and product diversification. He has brought about various improvements in the production and marketing strategies of the Company leading to a considerable improvement in the Company's performance.

M M

SUNIL MEHTA
Executive Director

He holds a B.Tech degree in Textile Technology from TIT, Bhiwani and has over 30 years of experience in the woven sacks industry. He joined the Company in the year 2002 as Vice President. Since then, with his dedicated and able leadership, the manufacturing operations of the Company have grown to multiple locations. He has been instrumental in improving the performance of the Company to world class levels.

USHA AGARWAL
Non Executive Director

She is an Honors Graduate in Botany from the University of Calcutta and has gained experience in administration. She has also contributed actively in the marketing department of the Company for about six years and her vast expertise and knowledge has been beneficial for the growth of the Company. Actively involved in a number of social and philanthropic organizations as a President and committee member.

M M

PREM SINGH KHAMESRA
Independent Director

He is a Fellow member of the Institute of Chartered Accountants and a founding partner of Khamesra, Bhatia & Mehrotra Associates and has practiced for 26 years (from 1979 to 2005) providing financial consultancy to businesses. He was Director (Finance) of Mirza International Limited from 2005 to 2008 and since then has been an entrepreneur. He was a Government Nominee on the Board of UP Financial Corporation during 2002-03.

C C M

SUBODH KUMAR,
Independent Director

He holds a B.E. (Honors) degree in Mechanical Engineering from Birla Institute of Technology, Mesra, and has over 30 years of rich technical experience. He is a retired Executive Director of LML Limited and has also worked with Eicher Tractor Ltd and JK Synthetics Ltd. He has vast and diversified experience in various prestigious organizations in the field of technology, research and development, new product induction, setting up ancillary units and quality control.

C C M M

AKSHAY KUMAR GUPTA
Independent Director

He is a Practicing Chartered Accountant with over 35 years of experience as the founder partner of Mittal Gupta & Company. He has been professionally active in the Institute of Chartered Accountants of India as a Member of its Central Council contributing as a Chairman and Member of a number of its Committees. A Past President of the Kanpur Chartered Accountants Society, Member Fiscal Law Committee of Merchants Chambers of Uttar Pradesh, Member of Funds Management Committee of IIT, Kanpur are only some of his credentials. He has a number of technical articles and publications to his credit.

C M M

DHARAM BIR PRASAD
Independent Director

He is a M. Sc. In Nuclear Physics and a MBA (Hons.) from Lucknow University. He retired from the State Bank of India after serving for over 35 years. He was last posted as the General Manager and Principle at the Staff Training Academy, Gurugram. He also gained wide experience in International banking and treasury operations during a Four- and half-year stint in Frankfurt as Vice President (Control).

M M M

Committees of the Board of Directors

- Audit Committee

Stakeholders Relationship Committee

Nomination and Remuneration Committee

Corporate Social Responsibility Committee

Empowered Committee

Chairman

Member